MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD COMPANY



ANNUAL



REPORT

BOARDS

MR6 652.0973 906663/2 NINETEEN FIFTY-SEVEN



CHAS. A. PILLSBURY







Director



CAPT. JOHN MARTIN Director



GEO. R. NEWELL Director



W. W. EASTMAN Director



ANTHONY KELLY



THOMAS LOWRY Director; President from 1889-1890 & 1892-1909



EDMUND PENNINGTON



G. R. HUNTINGTON



W. D. HALE Director



CHARLES J. MARTIN Director

1883 • Seventy-Fifth Anniversary • 1958



C. M. LORING





H. T. WELLES



J. K. SIDLE



W. D. WASHBURN Director; President 1883-1889



F. N. FINNEY



C. T. JAFFRAY President 1924-1937

Tighting for an ideal — an all-rail route to the east inde-

pendent of Chicago — a small group of Minneapolis men organized the Minneapolis, Sault Ste. Marie & Atlantic Railway September 29, 1883. To build it they pledged their honor and their fortunes.

Those men, thirteen in number, composed the first board of directors. From their number they elected W. D. Washburn the first president. To honor these men, they are pictured on this page, together with subsequent presidents of the company. To this group, as moving figures in the birth of this railroad, should also be added the names of John S. Pillsbury, O. C. Merriman, John C. Oswald, C. H. Pettit, H. E. Fletcher, John M. Shaw, George H. Christian, A. C. Rand, and others.

A line of railroad from Minneapolis to Sault Ste. Marie, a distance of about five hundred miles, was built in approximately three and one-half years, through vast, unbroken forests and rough terrain, traversing numerous rivers and almost impenetrable swamps, with pick and shovel, axe and hammer. This feat of engineering and construction was a tribute to the men who worked hard and long and to the energy and spirit of the founders. Standing knee-deep in snow at the end of the rails at Sault Ste. Marie in December, 1887, President Washburn said, "We have had to fight our way inch by inch, but now we are here to stay."

The next year this fledgling railroad and the Minneapolis & St. Croix Railway (built from Minneapolis to the St. Croix River in 1887), the Minneapolis & Pacific Railway (built from Minneapolis into the Dakota Territory in 1886), and the Aberdeen, Bismarck & Northwestern, were consolidated in June, 1888, to form the Minneapolis, St. Paul & Sault Ste. Marie Railway Company (now Minneapolis, St. Paul & Sault Ste. Marie Railroad Company). Additional construction in the ensuing years carried the rails into the lake port of Duluth-Superior, the Cuyuna Iron Range of Minnesota, and farther into the great grain and farm territory and the cities and towns of Minnesota, North and South Dakota, and Montana, as well as Wisconsin and Michigan.

Thus the dream of a few men became a reality in a few short years, through their own efforts and perseverance and the courage of their convictions, to stand for seventy-five years as one of the nation's great railroads.



G. W. WEBSTER 1937-1944



G. A. MacNAMARA President 1950-



ANNUAL REPORT

of the

FOR THE YEAR ENDED
DECEMBER 31

1957



DIRECTORS

*Member of Executive Committee



JUDSON BEMIS

Executive Vice President

Bemis Bro. Bag Company

Minneapolis, Minn.



HENRY LALIBERTE

President

Cutler Magner Company

Duluth, Minn.



*HOWARD I. McMILLAN

President

Osborne-McMillan Elevator

Company

Minneapolis, Minn.



GORDON MURRAY

President

FIRST NATIONAL BANK OF

MINNEAPOLIS

Minneapolis, Minn.



COLA G. PARKER

Director

Kimberly-Clark Corporation

Neenah, Wisconsin



H. H. WESTLIE

President

Westlie Motor Company

Minot, N. D.



ROBERT C. WOOD

President

MINNEAPOLIS ELECTRIC STEEL

CASTINGS COMPANY

Minneapolis, Minn.





N. R. CRUMP

President

CANADIAN PACIFIC RAILWAY

COMPANY

Montreal, Quebec



*PAUL V. EAMES
Chairman of the Board
McCloud Lumber Company
Minneapolis, Minn.



*MILTON W. GRIGGS

President

GRIGGS, COOPER & COMPANY, INC.

St. Paul, Minn.



FRANK T.
HEFFELFINGER
Chairman of the Board
F. H. PEAVY & COMPANY
Minneapolis, Minn.



*HENRY S. KINGMAN

Chairman of the Board

FARMERS AND MECHANICS
SAVINGS BANK OF MINNEAPOLIS

Minneapolis, Minn.



*G. ALLAN MACNAMARA

President

M. St. P. & S. S. M. RAILROAD

COMPANY

Minneapolis, Minn.



JOHN S. PILLSBURY

Honorary Chairman of the Board

PILLSBURY MILLS, INC.

Minneapolis, Minn.



GENERAL OFFICES FIRST NATIONAL-SOO LINE BUILDING MINNEAPOLIS 2, MINNESOTA

OFFICERS

President	G. A. MACNAMARA
Vice President.	J. D. BOND†
VICE PRESIDENT—PERSONNEL, PUBLIC RELATIONS AND SAFETY	C. S. POPE
VICE PRESIDENT AND GENERAL COUNSEL	F. W. CROUCH
General Traffic Manager	R. L. THORFINNSON*
General Manager	L. V. JOHNSON†
Assistant to the President and Secretary	G. C. STROMBERG
Comptroller	M. I. LABELLE
Industrial and Real Estate Commissioner	G. T. BERGREN
Treasurer	O. J. ANDERSEN
Assistant Treasurer	W. LEICESTER
Assistant Secretary	C. H. IUETTNER

†Effective January 1, 1958.

*Effective March 1, 1958.

TRANSFER AND FISCAL AGENTS

FIRST MORTGAGE BONDS

TRANSFER AGENTS:	
THE NORTHERN TRUST COMPANY	
50 S. La Salle Street	Chicago 90, Ill.
BANK OF MONTREAL TRUST COMPANY	
64 Wall Street	New York 5, N. Y.
FISCAL AGENTS:	
THE NORTHERN TRUST COMPANY	
50 S. La Salle Street	Chicago 90, Ill.
Agency, Bank of Montreal	
64 Wall Street	New York 5, N. Y.
GENERAL MORTGA	GE BONDS
TRANSFER AND FISCAL AGENTS:	
HARRIS TRUST AND SAVINGS BANK	
115 W. Monroe Street	Chicago 90, Ill.
THE HANOVER BANK	
70 Broadway	New York 15, N. Y.
COMMON SH	ARES
TRANSFER AND PAYING AGENT:	
THE BANK OF NEW YORK	
48 Wall Street	New York 15, N. Y.
REGISTRAR:	
THE HANOVER BANK	
70 Broadway	New York 15, N. Y.

ANNUAL SHAREHOLDERS MEETING

Third Tuesday in May at Minneapolis, Minn.

SUMMARY

	1957	1956	Increase or Decrease	%
TOTAL OPERATING REVENUES\$	47,425,096	\$ 47,991,013	\$ 565,917	1.18
TOTAL OPERATING EXPENSES\$ % of Total Operating Revenues		\$ 37,612,524 78.37	\$ 1,766,947 4.67	4.70
WAGES, PAYROLL TAXES, AND WELFARE BENEFITS \$ % of Total Operating Revenues	26,208,621 55.26	\$ 24,979,978 52.05	\$ 1,228,643 3.21	4.92
TAXES (OTHER THAN PAYROLL TAXES)\$ % of Total Operating Revenues		\$ 3,485,185 7.26	\$ 1,215,452 2.47	34.87
TOTAL WORKING EXPENSES. \$ % of Total Operating Revenues.		\$ 44,177,612 92.05	\$ 478,799 2.11	1.08
INCOME BEFORE FIXED AND CONTINGENT CHARGES\$	2,898,371	\$ 4,076,698	\$ 1,178,327	28.90
FIXED CHARGES AND CONTINGENT INTEREST\$	1,245,437	\$ 1,136,892	\$ 108,545	9.55
INCOME BEFORE SINKING FUND\$	1,652,934	\$ 2,939,806	\$ 1,286,872	43.77
SINKING FUND APPROPRIATIONS\$	100,645	\$ 100,645		
NET INCOME\$		\$ 2,839,161 \$ 3.95	\$ 1,286,872 \$ 1.79	45.33
INVESTMENT IN ROAD AND EQUIPMENT\$	165,687,851	\$161,191,534	\$ 4,496,317	2.79
RATE OF RETURN OF NET RAILWAY OPERATING INCOME ON NET INVESTMENT USED FOR TRANS-PORTATION PURPOSES.	1.95%	2.72%	.77%	
LONG TERM DEBT\$	32,860,986	\$ 31,688,324	\$ 1,172,662	3.70
WORKING CAPITAL\$ Ratio of Current Assets to Current Liabilities		\$ 7,461,371 1.52:1	\$ 1,465,392	19.64
FREIGHT—Carloads. Tons. Ton miles. 2	10,752,965		15,385 520,624 238,177,347	5.18 4.62 7.41
REVENUE PER NET TON MILE	1.49c	1.39c	.10c	7.19
NUMBER OF PASSENGERS	159,620	180,596	20,976	11.61
REVENUE PER PASSENGER MILE.	1.99c	1.96c	.03c	1.53

TO THE SHAREHOLDERS:

We take this opportunity to honor the seventy-fifth anniversary of your company, which occurs in 1958, and the men who created that first small company in those pioneer days of 1883. Those men exhibited courage, foresight, and faith in themselves and in the future of the country and the territory served by the railroad that they founded. The problems faced by railroad management today—unfair competition, governmental restrictions, spiraling costs, and changing economic conditions—present a greater challenge than those of seventy-five years ago. The same characteristics of courage, foresight, and faith, which were so important to the founders of this company, must continue to be drawn upon in meeting the problems of today.

Net income from all sources for the year 1957 was \$1,552,289, or \$2.16 per share, compared with last year's record high of \$2,839,161, or \$3.95 per share.

The rate of return on net property investment was only 1.95%, giving forceful evidence of the present plight of the railroad industry which has recently been the subject of Congressional hearings.

In spite of increased rates that became effective in late 1956 and in 1957, gross revenues declined \$565,917

due to reduction in traffic units handled.

The Interstate Commerce Commission authorized an increase in freight rates effective August 26, 1957, of 7% with exceptions for certain commodities. This represents an average increase of approximately 5½% in freight rates on traffic handled by your company. Due to further increased costs as of November 1, 1957, the Commission allowed, subject to subsequent hearing and possible refund, additional freight rate increases on certain commodities effective February 15, 1958. This latest increase in rates should result in additional revenues of approximately 2½% on freight traffic handled.

Total operating expenses increased \$1,766,947.

Negotiations for wage increases that had not been settled at the time of issuing the report for 1956 were consummated during the year. These agreements essentially conform to the settlements previously made covering a three-year period commencing November 1, 1956.

Equipment authorized for 1958 delivery consists of twenty-five covered hopper cars, twenty-five flat cars and fifty gondola cars. Also twenty-five open sided gondola cars, principally for pipe movement, will be

leased in 1958.

In 1957 the Interstate Commerce Commission heard the application for coordination with the Lake Superior & Ishpeming Railroad between Rapid River and Marquette, Michigan. The examiner's report recommended approval of the application but a final decision has not been rendered by the Commission. The increasing movement of grain, so important to your company, from farms and country elevators by private and contract truckers has been of great concern. In an effort to combat this trend, your company together with other railroads serving this general area will soon file a tariff to establish reduced coarse grain rates graduated upwards to more distant shipping points which it is anticipated will attract a substantial portion of the diverted coarse grain movement back to the railroads.

While general business conditions at this time would not warrant the entertainment of any great degree of optimism, the large amount of grain in storage in the area served by the Company, estimated to be 40,325,000 bushels, and the moisture conditions at this time for planting and germination of the 1958 grain crop, together with the company's substantially restricted renewal and maintenance budgets, should produce satisfactory results for the year 1958. This is dependent, of course, on the maturing of the crop and normal movement of grain from farms and country elevators to the terminal markets.

In connection with the maintenance budgets, relay of new rail will be reduced from 37.4 track miles in 1957 to 21 in 1958, secondhand rail from 28.49 track miles in 1957 to 10 miles in 1958, and ballasting from 135.6 track miles in 1957 to 76.5 in 1958.

Regular dividends of 50 cents per share and extra dividends of 25 cents per share were paid in March and October, 1957. A dividend of 50 cents per share was declared on February 14, 1958, payable March 27, 1958.

Mr. Judson Bemis, Executive Vice President of Bemis Bro. Bag Company, was elected to the Board of Directors to fill an existing vacancy. Mr. R. L. Simpson, formerly Vice President of your company, resigned from the Board of Directors effective November 30, 1957, and retired from his position as Vice President under the company's pension rules on December 31, 1957. Mr. J. D. Bond, formerly General Manager, was elected a Director effective December 11, 1957, to fill the vacancy, and was elected Vice President effective January 1, 1958.

The Board of Directors extends to the entire personnel of the company its thanks and appreciation for their cooperation and conscientious efforts during the year.

FOR THE BOARD OF DIRECTORS,

lamara

President.

Minneapolis, Minn., March 28, 1958.

CONDENSED INCOME ACCOUNT

	1957	1956	1955	1954	1953
INCOME RECEIVED					
Operating revenues:					
Freight	\$44,179,779	\$44,810,629	\$38,474,998	\$35,996,252	\$36,222,328
Passenger	852,254	883,025	927,296	978,930	1,060,360
Mail	1,145,797	1,104,816	1,058,140	1,188,448	1,168,797
All other	1,247,266	1,192,543	1,155,345	1,025,981	1,255,455
Total	47,425,096	47,991,013	41,615,779	39,189,611	39,706,940
Other income	346,993	284,667	219,224	181,717	184,535
Total income received	47,772,089	48,275,680	41,835,003	39,371,328	39,891,475
EXPENSES AND CHARGES					
Operating expenses:					
Maintenance of way and structures	10,133,481	9,662,188	8,312,719	8,334,212	8,987,693
Maintenance of equipment	8,348,509	8,110,928	7,620,441	7,581,398	8,211,527
Traffic	1,177,712	1,128,273	1,008,429	958,651	936,211
Transportation	17,429,643	16,751,113	14,466,908	14,993,061	15,675,534
Miscellaneous operations	196,262	225,698	232,887	239,982	254,883
General	2,093,864	1,734,324	1,438,177	1,348,019	1,346,377
Total	39,379,471	37,612,524	33,079,561	33,455,323	35,412,225
Other operating charges:					
Railway tax accruals	3,916,107	4,988,207	4,889,727	3,019,210	2,722,538
Equipment rents—net	1,048,242	1,287,572	66,347	21,105	125,953
Joint facility rents	312,591	289,309	251,005	221,760	264,934
Total	5,276,940	6,565,088	5,074,385	3,219,865	2,861,519
Miscellaneous deductions from income	217,307	21,370	32,885	17,516	34,331
Fixed charges:					
Rent for leased road and equipment	1,685	1,685	1,685	1,685	1,685
Interest on equipment obligations	406,600	292,672	290,359	128,743	113,304
Interest on unfunded debt	230	965	375	391	524
Amortization of discount on funded debt	10,904	7,260	7,111	6,545	6,085
Total	419,419	302,582	299,530	137,364	121,598
Available for contingent charges	2,478,952	3,774,116	3,348,642	2,541,260	1,461,802
Contingent Charges:					
Interest on First Mortgage Bonds	280,706	282,158	283,909	283,909	283,909
Interest on General Mortgage Bonds	545,312	552,152	552,592	564,352	572,432
Sinking Fund—General Mortgage	100,645	100,645	100,645	100,645	100,645
Total	926,663	934,955	937,146	948,906	956,986
NET INCOME.	\$ 1,552,289	\$ 2,839,161	\$ 2,411,496	\$ 1,592,354	\$ 504,816

REVIEW OF THE YEAR 1957

Net income receded from the record 1956 high of \$2,839,161 to \$1,552,289 in 1957, a decrease of \$1,286,-872. Car loadings in 1957 were 5.18% below 1956 loadings. Freight ton miles were 7.41% less in 1957 than in 1956. With business activity slackened in 1957, total operating revenues declined \$565,917, from \$47,991,013 in 1956 to \$47,425,096 in 1957, in spite of the increases in freight and passenger rates in effect in 1957. The higher cost of labor, materials, and other services resulted in increased cost of operations.

During the year costs charged to capital account for improvements to the property amounted to \$5,236,248. Compared with this the total charges for depreciation (computed on original cost of property), salvage, and retirement charges amounted to \$2,519,029. Principal additions to the property were Diesel-electric locomotives and freight cars, the major part of the cost of which was financed through equipment obligations.

FREIGHT REVENUES

Freight revenues amounted to \$44,179,779 in 1957 compared with \$44,810,629 in 1956, a decline of \$630,-850. Tons of freight handled declined from 11,273,589 in 1956 to 10,752,965 in 1957. Partially offsetting the loss of tonnage was an increase in average revenue per net ton mile from 1.39 cents in 1956 to 1.49 cents in 1957.

Revenues from Products of Agriculture were \$16,196,805 in 1957, representing an increase of \$338,823 over 1956. Grain revenues were principally responsible for the increase because of heavier movements of export wheat during the first half of the year by the Commodity Stabilization Service.

Revenues from Animals and Animal Products turned upward in 1957 from \$613,469 in 1956 to \$746,314, an increase of \$132,845, due primarily to increased shipments of livestock to the United States from Canada.

Revenues from Products of Mines were \$4,199,245 in 1957 compared with \$5,368,469 in 1956, a decrease of \$1,169,224. Principal losses of revenues occurred in stone and rock because of termination of movements to the Garrison Dam and in crude petroleum on account of completion of the temporary movement of Canadian oil to United States points upon construction of pipe lines.

Products of Forests produced revenues of \$7,664,043 in 1957 compared with \$7,891,748 in 1956, a reduction of \$227,705. The principal loss in revenues in this category occurred in lumber, shingles and lath, primarily because of the decline in residential construction.

Manufactures and Miscellaneous revenues were \$14,139,535 compared with \$13,914,757 in 1956, an

increase of \$224,778. Increased movement of liquid petroleum gas was partly offset by lesser rail movements of gasoline and fuel oil. Reductions occurred in movement of manufactured iron and steel, cement, and agricultural implements and parts. Continued construction in 1957 of Canadian pipe lines resulted in an increased movement of pipe to Canada but it is expected that this traffic will be materially reduced in 1958. Increases were also shown in revenues from newsprint paper, fertilizers, lead, zinc, pig iron, and packaged food products.

For further comparisons see table on page 23.

PASSENGER REVENUES

Notwithstanding the 5% increase in passenger fares that went into effect January 1, 1957, passenger revenues for the year were \$852,254 compared with \$883,025 in 1956, a reduction of \$30,771. Passengers carried were 150,620 compared with 180,596 in 1956.

MAIL REVENUES

Mail revenues were 1,145,797 in 1957 compared with 1,104,816 in 1956, an increase of 40,981. Rates were increased $7\frac{1}{2}$ effective July 1, 1957.

EXPRESS REVENUES

Revenues in 1957 amounted to \$204,640, or \$51,454 below the 1956 revenues of \$256,094.

COST OF OPERATIONS

Total Working Expense, which includes operating expenses, taxes, equipment rents, and joint facility rents, amounted to \$44,656,411, or 94.16% of total operating revenues for 1957, compared with \$44,177,-612, or 92.05%, in 1956.

Operating expenses were \$39,379,471 in 1957 compared with \$37,612,524 in 1956, a net increase of \$1,766,947, which includes the cost of increases in wage rates and fringe benefits in effect during 1957 of approximately \$1,635,000. See tables commencing on page 24.

The cost of Maintenance of Way and Structures increased \$471,293 from \$9,662,188 in 1956 to \$10,133,481 in 1957 primarily because of the added costs of labor and material. During the year 345,787 cross ties were replaced, 19,296 less than in 1956. Rail was relaid in 65.89 miles of main track compared with 46.16 miles in 1956. The new rail laid in 1957 was 37.40 miles of 100-pound welded continuous rail. Rail relaid in side tracks amounted to 3.93 miles in 1957 whereas rail was relaid in 8.30 miles of side tracks in 1956. Track ballasting involved the application of 399,567 cubic yards of ballast in 1957 and 262,833 cubic yards in 1956. The comparatively mild winter weather in 1957, as well as continued streamlining of

snow cuts, permitted a reduction in the cost of re-

moving snow, ice, and sand.

Maintenance of Equipment costs increased \$237,581 from \$8,110,928 in 1956 to \$8,348,509 in 1957 principally because of increased labor rates, material prices, and depreciation charges on account of new equipment.

Transportation expenses amounted to \$17,429,643 in 1957, an increase of \$678,530 over 1956, due prin-

cipally to higher labor and material costs.

General expenses were \$2,093,864 in 1957 compared with \$1,734,324 in 1956, an increase of \$359,540, because of increased wage rates and the fact that beginning in 1957 the deposit into the pension trust fund for past services of eligible employees was charged to Pensions and Gratuities, in accordance with Interstate Commerce Commission regulations, whereas in 1956 the deposit into the fund was charged to profit and loss accounts.

Total tax accruals in 1957 amounted to \$3,916,107, a decrease of \$1,072,100.

All taxes other than federal income taxes increased \$177,874. The principal reason for this increase was the change in the rate of railroad unemployment taxes from $1\frac{1}{2}\%$ to 2% effective January 1, 1957. The rate of this tax further increased to $2\frac{1}{2}\%$ effective January 1, 1958.

The federal income tax liability in 1957 is substantially less than in the previous year. Accruals were made in the amount of \$415,000 for the year compared with \$1,670,000 for 1956. This reduction of \$1,255,000 is attributable to decreased net earnings and increased charges for tax purposes on account of amortization of road and equipment in excess of normal depreciation.

As indicated in the table on page 20, the total reduction in federal income taxes in the years from 1950 through 1957, during which amortization has been taken as a deduction from income for tax purposes, is \$2,496,574. In accordance with Interstate Commerce Commission regulations, no reserve has been set up on the books for the liability in future years of the deferred taxes.

In December, 1957, the United States Treasury Department rejected the claim for refund arising from the bad debt loss claimed in 1952 on account of advances made to the Wisconsin Central Railway Company, which was mentioned in previous years' reports, and asserted tax deficiencies for the tax years of 1952, 1954 and 1955. The company paid the deficiency for 1952 together with interest on December 31, 1957, and paid the deficiencies for 1954 and 1955 together with interest in January, 1958.

The company proposes to file suit in 1958 to establish the validity of the bad debt loss reported in 1952 and for refund of the taxes and interest paid by

reason of the Treasury Department's rejection of the claim for bad debt loss.

LABOR AND WAGES

During the year 1957 agreements were entered into with the Brotherhood of Railroad Trainmen, Order of Railway Conductors and Brakemen, Brotherhood of Locomotive Engineers, Railroad Yardmasters of America, American Train Dispatchers Association, and the American Railway Supervisors Association. These agreements, except for minor deviations, followed the general pattern established by the agreements entered into with other organizations in 1956 and provided for increases of 12½ cents per hour effective November 1, 1957, and 7 cents per hour effective November 1, 1958, or other increases approximating such amounts, together with cost-of-living escalator clauses.

The increases in basic rates effective November 1, 1957, and November 1, 1958, will result in estimated increased annual wage costs over 1957 of \$800,000 for 1958 and \$1,600,000 for 1959 and thereafter.

The cost-of-living escalator clauses in the agreements resulted in increases over the basic rates of 3 cents per hour on May 1, 1957, and 5 cents per hour on November 1, 1957, or approximately \$900,000 on an annual basis.

FREIGHT RATES

The continuing upward spiral in labor and material costs necessitated further increases in freight rates that became effective August 26, 1957. The Interstate Commerce Commission authorized increases of 7% on traffic moving within western territory and interterritorially between the west and the east and 4% on interterritorial traffic between the west and the south. Exceptions were prescribed on certain commodities such as grain, livestock, meats, packing house products, and coal, which resulted in reducing the net overall increase to approximately 5½% on freight traffic handled by the company.

Since the increases effective August 26, 1957, were not authorized in contemplation of cost-of-living increases in wages due November 1, 1957, the increase in payroll taxes and increased costs of materials, a petition was filed with the Commission on December 23, 1957, seeking authority to increase rates on certain commodities and various accessorial charges. The Commission allowed increases on certain commodities and accessorial charges to become effective February 15, 1958, subject to subsequent hearings and possible refund of those increases not found to be justified. This resulted in increasing freight rates on traffic handled by the company an average of approximately $2\frac{1}{2}$ %.

INDUSTRIAL DEVELOPMENT

During the year 1957 forty permanent industrial plants and sixty-two temporary industrial installations such as storage yards and unloading facilities for various commodities were located on company property. Thirteen new industries were located on adjacent private property with rail service provided from company trackage.

The new industrial operations located on the system during the year embrace a variety of uses principally in storage and distribution of various commodities in the area. With respect to grain storage twelve new facilities have been or are in the process of being erected with a total capacity of 532,300 bushels.

These developments are expected to produce substantial freight traffic for the company.

NEW EQUIPMENT

Five hundred three all-steel box cars were constructed in company shops in 1957.

Three new 1,750 horsepower road-switch Diesel-electric locomotives were received in 1957.

Twenty-five covered hopper cars were purchased and received in 1957.

INTEGRATED DATA PROCESSING

In the 1956 report mention was made that the company was studying the use of new methods of communication, the use of common language machines and electronic data processing equipment. A medium

sized electronic computer (IBM Model 650), installed in the general offices in September, 1957, is being used principally for the processing of payrolls, locomotive and car statistics, and freight revenue reports. Programming of additional work for this computer is under way. During the year the accounting for all Diesel-electric locomotive material at the Shoreham Stores location was completely mechanized on a perpetual inventory basis and studies are now being made with the view to expanding this procedure to other locations and other types of material. In addition, the annual inventory of all stores material was taken for the first time on punched cards and mechanically processed.

Early in January, 1958, the company began installing common language and teletype machines in the offices of ten of the larger yards in North Dakota and Minnesota for the purpose of mechanizing freight car reporting procedures on the west end of the railroad. It is expected that by May 1st it will be possible to furnish up-to-the minute reports as to the location and other pertinent data of all freight cars moving between these yards for use by the various departments of the company in serving its customers and for other purposes. Consideration will then be given to expanding the mechanized car reporting system to the company's eastern lines.

WISCONSIN CENTRAL RAILROAD COMPANY

The properties of the Wisconsin Central Railroad Company continue to be operated by the company under the existing operating agreement as amended.

Dividende Paid

Table of Net Income and Dividends Paid since September 1, 1944

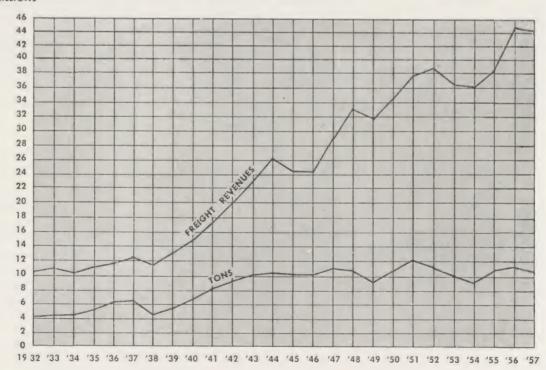
		Dividends Paid			
Year	Net Income	Total	Per Share		
9/1—12/31/44	\$ 1,053,326				
1945	1,754,433				
1946		\$1,797,760	\$ 2.50		
1947	1,183,000	719,104	1.00		
1948		719,104	1.00		
1949	1,148,481	719,104	1.00		
1950	1,544,969	719,104	1.00		
1951	1,867,537	719,104	1.00		
1952	1,040,532	719,104	1.00		
1953	504,816	359,552	.50		
1954	1,592,354	359,552	.50		
1955	2,411,496	719,104	1.00		
1956	2,839,161	1,078,656	1.50		
1957	1,552,289	1,078,656	1.50		
Totals	\$20,417,003	\$9,707,904	\$13.50		

Dividends of \$359,552 at the rate of 50c per share were declared February 14, 1958, payable March 27, 1958.

THE SOO LINE DOLLAR

	1957	1956	1955 (Cents)	1954	1953
Income:					
Grain	30.9	29.6	28.0	26.8	20.8
Other Products of Agriculture	3.0	3.2	3.9	4.2	4.4
Animals and Animal Products	1.6	1.3	1.5	1.7	1.7
Products of Mines	8.8	11.1	12.1	10.6	14.0
Products of Forests	16.0	16.4	16.9	14.8	13.2
Manufactures and Miscellaneous	29.6	28.8	26.9	30.3	33.3
Less than Carload Freight	2.6	2.4	2.7	3.0	3.4
Passenger Train Service	5.0	5.0	5.8	6.5	6.7
Incidental	1.8	1.6	1.7	1.6	2.0
Other Income	.7	.6	.5	.5	.5
Total	100.0	100.0	100.0	100.0	100.0
Spent For:					
Wages	50.4	48.0	49.5	53.0	55.5
Payroll Taxes (Retirement and Unemployment) and					
Welfare Benefits	4.5	3.7	3.2	3.1	3.1
All Other Taxes	4.8	7.2	8.8	4.6	3.7
Fuel	3.1	3.2	3.2	4.6	4.6
Rail, Ties, and Other Track Material	4.7	4.6	4.4	4.7	4.6
Depreciation	4.5	4.1	4.8	4.6	4.4
Other Operating Expenses	18.8	17.4	16.9	18.1	19.7
Bond Interest and Sinking Fund	1.9	1.9	2.2	2.4	2.4
Equipment and Joint Facility Rents—Net	2.8	3.3	. 4	.5	.3
Miscellaneous (Fixed and other expenses)	1.3	.7	.8	.4	. 4
Total	96.8	94.1	94.2	96.0	98.7
Available for Other Corporate Purposes	3.2	5.9	5.8	4.0	1.3

COMPARISON OF FREIGHT REVENUES WITH TONS OF FREIGHT HANDLED MILLIONS



COMPARATIVE GENERAL

ASSET SIDE

CURRENT ASSETS:	Dec.31,1957	Dec.31,1956	Increase	Decrease
Cash		\$ 3,874,815		\$1,022,685
U. S. Government securities	4,889,839	4,060,455	\$ 829,384	
For interest and other obligations	1,885,192	2,563,975		678,783
Employees' U. S. Savings Bonds	30,010	14,879	15,131	
Predecessor Company	4,210	4,494		284
Traffic and car-service balances	994,716	1,900,978		906,262
Agents' and conductors' balances	1,171,990	1,068,707	103,283	
Miscellaneous accounts receivable	1,266,818	1,297,409	,	30.591
Interest and dividends receivable	67,879	47,517	20,362	,
Accrued accounts receivable	684,751	744,098	*	50.247
Working fund advances	38,387	•		59,347
	,	47,655		9,268
Prepayments	24,349	35,881	550 (11	11,532
Material and supplies	6,686,252	6,135,641	550,611	
Other current assets	115,926	90,370	25,556	
Total	20,712,449	21,886,874		1,174,425
OTHER ASSETS AND DEFERRED CHARGES:				
Other assets	634,136	658,724		24,588
Unamortized discount on funded debt	106,142	96,202	9,940	
Other deferred charges	966,551	804,085	162,466	
Total	1,706,829	1,559,011	147,818	
INVESTMENTS IN SECURITIES, ADVANCES, AND SPECIAL FUNDS: Sinking Fund—General Mortgage	110	162		52
Deposits with Northern Trust Co	64,556	56,207	8,349	
First National Bank—Trust Equipment Investments in affiliated companies:	11,824	2,663,704		2,651,880
Stocks—Pledged under First Mortgage	222,275	222,275		
Stocks—Pledged under Gen'l. Mortgage	900,000	900,000		
Stocks—Unpledged	300	300		
Advances	611,499	567,462	44,037	
Other Investments	5,011	18,725		13,714
Total	1,815,575	4,428,835		2,613,260
INVESTMENT IN PROPERTY:				
Road	116 650 605	115,109,742	1 540 963	
Equipment		46,081,792	1,540,863 2,955,454	
Miscellaneous physical property				10.717
Total		184,041	4 492 600	12,717
-	107,079,177	101,3/3,3/3	4,483,600	
Less:				
Acquisition adjustment	22,273,564	22,272,985	579	
Donations and grants	2,730,132	2,739,423		9,291
Accrued depreciation—road	12,889,215	12,469,753	419,462	
Accrued depreciation—equipment	17,081,247	15,661,514	1,419,733	
Accrued amortization of Defense Projects—equipment	2,959,934	2,966,741		6.807
Total	57,934,092	56,110,416	1,823,676	
Net		105,265,159	2,659,924	
_	37,127,007	,,	2,0.7,721	
GRAND TOTAL	\$132,159,936	\$133,139,879		\$ 979,943

See page 14 for comments on the balance sheet.

BALANCE SHEET

LIABILITY SIDE

CURRENT LIABILITIES:	Dec. 31, 1957	Dec. 31, 1956	Increase	Decrease
Audited accounts payable	\$ 771,976	\$ 835,111		\$ 63,135
Wages payable	2,697,246	2,631,776	\$ 65,470	
Miscellaneous accounts payable	1,250,814	1,074,795	176,019	
Wisconsin Central Railroad Co	81,186	849,270		768,084
Interest matured unpaid	900,362	905,329		4,967
Unmatured interest accrued	85,563	51,247	34,316	
Accrued accounts payable.	2,161,843	2,443,067		281,224
Taxes accrued	3,378,974	5,227,948		1,848,974
Other current liabilities	457,722	406.960	50,762	
Total	11,785,686	14,425,503		2,639,817
(Ratio of Current Assets to Current Liabilities: 1957—1.76:1 1956—1.52:1)				
RESERVES, OTHER LIABILITIES AND DEFERRED CREDITS:				
Reserve for land grant deductions		4,036		4,036
Casualty and other reserves	433,248	413,190	20,058	
Accrued depreciation—leased property		3,984	398	
Other deferred liabilities and credits		506,550		153,588
Total	790,592			
Total	790,792	927,760	• • • • • • • •	137,168
LONG-TERM DEBT:				
First Mortgage, 41/2%, Cumulative Income Bonds,				
Series A, 1-1-71	6,239,000	6,244,000		5,000
Issued\$10,000,000		,		,,,,,,
Held in Treasury				
General Mortgage, 4%, Income Bonds,				
Series A, 1-1-91	13,632,800	13,803,800		171,000
Issued	17,072,000	17,007,000		171,000
Retired through Sinking Fund				
Held in Treasury				
	5 225 106	5 220 524	101//0	
Equipment Conditional Sale Agreements		5,220,524	104,662	
Equipment Trusts	7,664,000	6,420,000	1,244,000	• • • • • • • • •
Total	32,860,986	31,688,324	1,172,662	
SHAREHOLDERS' EQUITY:				
Capital stock:				
·				
719,104 Common shares of no par value stated at \$86.50	42 202 404	(2 202 404		
per share	62,202,496	62,202,496		
Capital surplus	7,804	7,804		
Retained income:				
Retained income—Appropriated		3,294,943	100,645	
Retained income—Unappropriated	21,116,784	20,593,049	523,735	
Total	24,512,372	23,887,992	624,380	
Total Shareholders' Equity	86,722,672	86,098,292	624,380	
GRAND TOTAL	\$132,159,936	\$133,139,879		\$ 979,943
				7 ., ,, 17

See page 14 for comments on the balance sheet.

COMMENTS ON THE BALANCE SHEET

FORM OF BALANCE SHEET

Effective January 1, 1957, the Interstate Commerce Commission revised its prescribed form of the balance sheet. Corresponding changes have been made in the balance sheet statement included in this report, and the balances as of December 31, 1956, have been rearranged to conform thereto.

CONTINGENT ASSETS NOT RECORDED

The company has a contingent interest in 23,850 shares of Wisconsin Central Railroad Company common stock allotted to it in the plan of reorganization of the latter company's predecessor, consummated on March 1, 1954. These 23,850 shares of stock were deposited in escrow pending the outcome of litigation involving claims of the Wisconsin Central First and Refunding 5% bond holders to rights in a part of this stock. Upon conclusion of the litigation of this question the appropriate amount of shares will be recorded as an asset on the balance sheet.

SPECIAL DEPOSITS

Included in the amount of \$1,885,192 as of December 31, 1957, "For interest and other obligations" is a reserve fund of \$1,830,000 for the payment of federal income taxes for the year 1954 and part of the liability for the year 1955, which was being held on deposit until final determination was made with respect to the validity of the claimed deduction for the bad debt loss arising in connection with the reorganization of the Wisconsin Central Railway Company. In December, 1957, the United States Treasury Department rejected the claim for this bad debt loss. The 1952 income tax was paid in December, 1957. In January, 1958, the income taxes for 1954 and 1955 were paid (no income tax liability existed for the year 1953), which exhausted the reserve.

INVESTMENTS IN SECURITIES, ADVANCES, AND SPECIAL FUNDS

From the amount of \$2,663,704 under "First National Bank — Trust Equipment" as of December 31, 1956, \$2,651,880 was drawn down during 1957 from the bank as trustee of Equipment Trust, Series C, representing principally the reimbursement to the company of that part of the cost of the equipment that was financed.

TAXES ACCRUED

In the amount of \$3,378,974 as of December 31, 1957, are accruals of federal income taxes of \$300,000 for the year 1954 and \$1,701,877 for the year 1955, which were accrued without regard to the company's claim for bad debt loss arising in connection with the reorganization of the Wisconsin Central Railway

Company. Since the claim for this bad debt loss was disallowed by the United States Treasury Department, the income taxes so accrued for 1952 were paid in December, 1957, and the 1954 tax and that part of the 1955 tax mentioned above were paid in January, 1958.

Since the bad debt loss claimed by the company was insufficient to cover all the income tax for 1955, the excess for 1955 as well as subsequent income taxes were paid as they became due.

LONG TERM DEBT

Long term debt increased in 1957 by a net amount of \$1,172,662.

First Mortgage Bonds in the principal amount of \$5,000 were purchased in the open market and General Mortgage Bonds in the principal amount of \$171,000 were acquired through the Sinking Fund, reducing bonded indebtedness by a total of \$176,000.

The principal of equipment conditional sale agreements was increased a net of \$104,662. New conditional sale agreements, representing approximately 80% of the cost of equipment being acquired, were entered into totaling \$810,600 as follows: agreement dated as of April 1, 1957, in the amount of \$412,800, for the purchase of three new Diesel-electric locomotives; agreement dated as of July 1, 1957, in the amount of \$172,800, for the purchase of 25 covered hopper cars; and agreement dated as of December 1, 1957, in the amount of \$225,000, including the down payment which was not paid until 1958, for the purchase of 25 covered hopper cars. Payments during the year on the principal of all such debt amounted to \$705,938.

Equipment trust obligations increased a net amount of \$1,244,000. Additional trust certificates, series D, were issued August 1, 1957, in the amount of \$1,740,000 to finance approximately 80% of the cost of the construction of 300 box cars. Payments during the year on the principal of outstanding equipment trust debt amounted to \$496,000.

RETAINED INCOME

In accordance with Minnesota Law, earned surplus at September 1, 1944, in the amount of \$11,364,138 is designated as "Paid-in Surplus."

CONTINGENT LIABILITIES NOT RECORDED

This company is jointly and severally liable with seven other railroads for the principal and interest on \$11,601,000 of First and Refunding Mortgage 31/8% Bonds Series "B" of The Saint Paul Union Depot Company. Interest has been paid by The Saint Paul Union Depot Company on these Bonds as it matured.

EARNED SURPLUS ACCOUNT

	To Dec. 31, 1956	Year 1957	To Dec. 31, 1957
RETAINED INCOME—APPROPRIATED:			
Period prior to September 1, 1944:			
For Capital Fund	\$ 500,000 369,032 1,184,623		\$ 500,000 369,032 1,184,623
Total	2,053,655		2,053,655
Period subsequent to September 1, 1944:			,
For Sinking Fund	1,241,288	\$ 100,645	1,341,933
Total Retained Income—Appropriated	\$ 3,294,943	\$ 100,645	\$ 3,395,588
RETAINED INCOME—UNAPPROPRIATED:			
Period prior to September 1, 1944:			
Paid-in Surplus in accordance with Minnesota Law	\$11,364,138 2,053,655		\$11,364,138 2,053,655
Balance	9,310,483		9,310,483
Period Subsequent to September 1, 1944:			
Net Income.	18,864,714	\$ 1,552,289	20,417,003
Less Dividends	8,629,248	1,078,656	9,707,904
Balance	10,235,466	473,633	10,709,099
Profit and Loss Accounts:			
Discount and Expenses on Bonds Reacquired	2,565,668*	70,708	2,636,376
Miscellaneous Credits	143,244*	1,443	144,687
Less Miscellaneous Debits.	1,661,812*	22,049	1,683,861
Balance.	1,047,100	50,102	1,097,202
Total Retained Income—Unappropriated	\$20,593,049	\$ 523,735	\$21,116,784

^{*}These balances as of December 31, 1956, have been altered to give effect to adjustments applicable to the years 1946, 1947, 1948, and 1949.

	1957	1956	1955	1954	1953
INCOME AFTER FIXED CHARGES:					
Times earned for:					
Interest on First Mortgage Bonds	8.8	13.4	11.8	9.0	5.1
Interest on General Mortgage Bonds	4.0	6.3	5.5	4.0	2.1
Sinking Fund—General Mortgage	16.4	29.2	25.0	16.8	6.0
UNAPPROPRIATED INCOME:					
Earned per share	\$2.16	\$3.95	\$3.35	\$2.21	\$.70

INVESTMENTS IN AFFILIATED COMPANIES

	Number of Shares	Par Value		Value Dec. 31, 1956
STOCKS—Pledged under First Mortgage:				
Sault Ste. Marie Bridge Co	2,500	\$250,000	\$ 500	\$ 500
Minnesota Transfer Railway Co	913	91,300	91.300	91,300
The Saint Paul Union Depot Co	1,036	103,600	130,475	130,475
TOTAL			\$222,275	\$222,275
STOCKS—Pledged under General Mortgage:				
Tri-State Land Co. (See Note 1)	25,000	\$2,500,000	\$900,000	\$900,000
STOCKS—Unpledged: Railway Express Agency, Inc	3	No Par	\$ 300	\$ 300
Railway Express Agency, Inc.	3	No Par	\$ 300	\$ 300
Railway Express Agency, Inc				
Railway Express Agency, Inc			\$ 47,845	\$ 43,333
Railway Express Agency, Inc			\$ 47,845	
Railway Express Agency, Inc. = ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund.			\$ 47,845 9,288 103,254	\$ 43,333
Railway Express Agency, Inc. ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund. Minnesota Transfer Ry.—Locomotives. Minnesota Transfer Ry.—Construction. Minnesota Transfer Ry.—Land Fund.			\$ 47,845 9,288 103,254 107,983 55,980	\$ 43,333 97,810
Railway Express Agency, Inc. ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund. Minnesota Transfer Ry.—Locomotives. Minnesota Transfer Ry.—Construction. Minnesota Transfer Ry.—Land Fund. Railway Express Agency, Inc.			\$ 47,845 9,288 103,254 107,983 55,980 86,747	\$ 43,333
Railway Express Agency, Inc. ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund. Minnesota Transfer Ry.—Locomotives. Minnesota Transfer Ry.—Construction. Minnesota Transfer Ry.—Land Fund. Railway Express Agency, Inc. The St. Paul Union Depot Co.—Sinking Fund.			\$ 47,845 9,288 103,254 107,983 55,980 86,747 71,534	\$ 43,333
Railway Express Agency, Inc. ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund. Minnesota Transfer Ry.—Locomotives. Minnesota Transfer Ry.—Construction. Minnesota Transfer Ry.—Land Fund. Railway Express Agency, Inc. The St. Paul Union Depot Co.—Sinking Fund. The St. Paul Union Depot Co.—Construction.			\$ 47,845 9,288 103,254 107,983 55,980 86,747 71,534 106,231	\$ 43,333
Railway Express Agency, Inc. ADVANCES: Minnesota Transfer Ry.—Sinking Fund. Minnesota Transfer Ry.—Working Fund. Minnesota Transfer Ry.—Locomotives. Minnesota Transfer Ry.—Construction. Minnesota Transfer Ry.—Land Fund. Railway Express Agency, Inc. The St. Paul Union Depot Co.—Sinking Fund.			\$ 47,845 9,288 103,254 107,983 55,980 86,747 71,534 106,231	\$ 43,333

OTHER INVESTMENTS

		BOOK	VALUE
Claims allowed in Wisconsin Central Ry. Co. Reorganization	Par Value	Dec. 31, 1957	Dec. 31, 1956
(See Note 2)	\$1,892,260	\$ 1	\$ 1
Dakota Chief Sales Co.—Sales Contract			11,309
St. Paul Terminal Warehouse Co	5,010	5,010	7,415
TOTAL		\$5,011	\$18,725

NOTE 1: The equity of the Company in the net worth (capital stock and surplus) of the Tri-State Land Company, a solely owned subsidiary, has been written down on the Soo Line books to the estimated value as determined by appraisal as of September 1, 1944. The amount of this equity is \$900,000 as shown under the column headed "Book Value." The result for the year 1957 was a net income of \$34,421, and the net worth of that company as reflected on its books at December 31, 1957, is \$1,758,063, without provision for impairment of asset values.

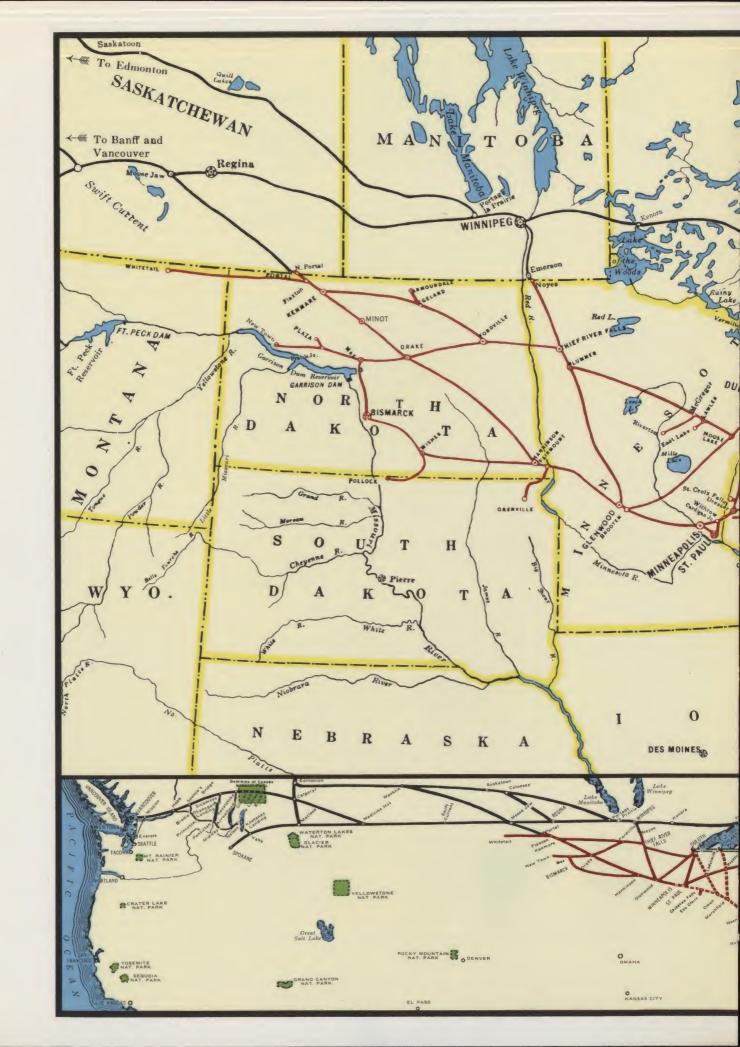
NOTE 2: See comments on page 14 for explanation of value of allowance for claim filed in Wisconsin Central Ry. Co. reorganization proceedings.

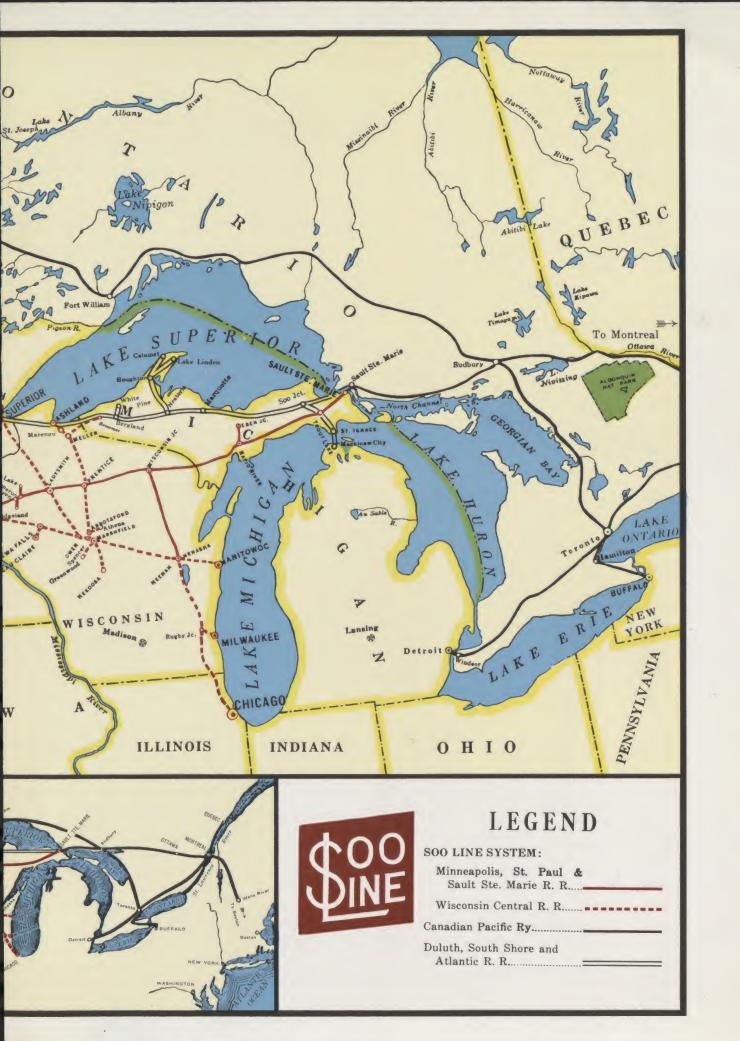
PHYSICAL PROPERTY CHANGES, ADDITIONS AND BETTERMENTS

The program of improvements to physical property was continued during 1957 consistent with the company's financial position. A brief summary of the projects undertaken in 1957 follows:

Road and General Expenditures:	
Bridge Renewals and Filling.	\$ 265,652
Additions and Improvements to Station and Office Buildings	123,096
Additions and Improvements to Shops and Engine Houses, including Tools and Machinery	179,838
Diesel Fueling Stations.	91,790
Shoreham Yard Lighting and Water System.	53.094
Purchase of Miscellaneous Roadway Machines.	183,485
Additional Company Side and Yard Tracks.	107,147
Additional Industry Side and Yard Tracks	53.343
Relaying Rail in Main Tracks:	77,747
New 100 pound, replacing 90 and 85 pound—37.40 Miles	255,792
With Relay Rail —28.49 Miles.	58.553
Relaying Rail in Side and Yard Tracks with Relay Rail—3.93 Miles	9,390
	,
Additional Tie Plates and Rail Anchors	172,568
Widen and Flatten cuts	99,551
Line Changes	34,979
Additions and Improvements to Interlockers and Signals	35,570
Additions and Improvements to Power Transmission Systems	20,923
Additions and Improvements to Roadway Buildings	38,643
Expenditures in connection with Public Improvements	84,729
Miscellaneous Expenditures	23,035
Total	\$1,891,178
Equipment:	
Purchase of 3 Diesel-electric 1750 HP Road Switch Locomotives.	\$ 519,690
Purchase of component parts for Diesel Locomotives	81,156
Completion of construction of 503 40'6" 50-ton steel box cars	2,376,925
Purchase of 25 Covered Hopper cars.	225,118
Addition of 8 units of Work Equipment (5 box cars converted to tool cars and 3 tenders to water cars)	18,126
Purchase of 23 Automobiles and trucks and 2 trailers	62,464
Unapplied Material and Supplies for future construction.	16,120
Miscellaneous Expenditures	45,471
Total	\$3,345,070

TRACK MILES OF I	RAIL LAI	D			
Installed in Main Track:	1957	1956	1955	1954	1953
New 100 Pound	37.40	27.03	14.55	19.75	18.40
New 90 Pound		6.04	7.67	5.10	19.48
Second Hand 90 Pound	10.00	13.09	11.75	7.86	10.54
Second Hand 85 Pound	7.67			7.17	
Second Hand 80 Pound	10.82		2.39	4.30	.59
Total—Installed in Main Track	65.89	46.16	36.36	44.18	49.01
Second Hand, Various Weights	3.93	8.30	4.71	2.46	2.75
CROSS TIES REP	LACED		Tanana and		
	1957	1956	1955	1954	1953
Untreated Cross Ties	20	78	168	401	2,859
Treated Cross Ties	345,767	365,005	354,131	368,651	407,084
Total	345,787	365,083	354.299	369.052	409.94





AMORTIZATION OF ROAD AND EQUIPMENT FOR TAX PURPOSES AND RESULTING DEFERMENT OF FEDERAL INCOME TAXES

	1950	1951	1952	1953	1954	1955	1956	1957	TOTAL
Increases in amortization charges over normal depreciation accruals	\$ 69,132	\$285,915	\$555,576	\$695,855	\$668,542	\$386,600	\$834,902	\$1,324,748	\$4,821,270
Federal income tax rate	42%	\$0.75%	52%	\$2%	52%	52%	52%	52%	
Federal income tax deferment	\$ 29,035	\$145,102	\$288,900	\$361,845	\$347,642	\$201,032	\$434,149	\$ 688,869	\$2,496,574

OF FEDERAL INCOME TAXES ON ACCOUNT OF AMORTIZATION CHARGES NET INCOME PER SHARE OF STOCK AFTER ELIMINATION OF DEFERMENT

	Amount	Per Share	Amount	Per	Amount	Per	Amount	Per
	1950		1951		1952		1953	
Net Income	\$1,544,969	\$2.15	\$1,867,537	\$2.60	\$1,040,532	\$1.45	\$ 504,816	\$.70
Adjustment for deferment of Federal Income Taxes on account of amortization	29,035	.04	145,102	.20	288,900	.40	361,845	.50
Adjusted Net Income	\$1,515,934	\$2.11	\$1,722,435	\$2.40	\$ 751,632	\$1.05	\$ 142,971	\$.20
	1954		1955		1956		1957	
Net Income	\$1,592,354	\$2.21	\$2,411,496	\$3.35	\$2,839,161	\$3.95	\$1,552,289	\$2.16
Adjustment for deferment of Federal Income Taxes on account of amortization	347,642	.48	201,032	.28	434,149	09.	688,869	96.
Adjusted Net Income	\$1,244,712	\$1.73	\$2,210,464	\$3.07	\$2,405,012	\$3.35	\$ 863,420	\$1.20

MATURITIES BY YEARS OF LONG-TERM DEBT OUTSTANDING AT DECEMBER 31, 1957

		Equip	oment Obligati	ions		First	General	
Year of	Conditional Sale	Equipment Trust Series A, Dated	Equipment Trust Series B, Dated	Equipment Trust Series C, Dated	Equipment Trust Series D, Dated	Mortgage Income 4½% Bonds Series A, Due	Mortgage Income 4% Bonds	
Maturity	Agreements	July 1, 1952	Aug. 1, 1954	Nov. 1, 1956	Aug. 1, 1957	Jan. 1, 1971	Jan. 1, 1991	Total
1958	\$ 779,413	\$ 190,000	\$ 130,000	\$ 176,000	\$ 116,000		3	\$ 1,391,413
1959	545,377	190,000	130,000	176,000	116,000			1,157,377
1960	477,626	190,000	130,000	176,000	116,000			1,089,626
1961	477,625	190,000	130,000	176,000	116,000			1,089,625
1962	477,626	190,000	130,000	176,000	116,000			1,089,626
1963	477,625	190,000	130,000	176,000	116,000			1,089,625
1964	460,394	190,000	130,000	176,000	116,000			1,072,394
1965	377,500	190,000	130,000	176,000	116,000			989,500
1966	313,000	190,000	130,000	176,000	116,000			925,000
1967	313,000	190,000	130,000	176,000	116,000			925,000
1968	313,000		130,000	176,000	116,000			735,000
1969	313,000		130,000	176,000	116,000			735,000
1970				176,000	116,000			292,000
1971				176,000	116,000	\$6,239,000		6,531,000
1972			• • • • • • • • •		116,000			116,000
1991	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •					\$13,632,800	13,632,800
Totals	\$5,325,186	\$1,900,000	\$1,560 000	\$2,464,000	\$1,740,000	\$6,239,000	\$13,632,800	\$32,860,986

LOCOMOTIVES AND FREIGHT TRAIN CARS ADDED AND RETIRED

		l-electric	6			
37	Loco	motives	Steam Lo	comotives	Freight-T	rain Cars
Year	Added	Retired	Added	Retired	Added	Retired
1933				38		1,889
1934				6		1.689
1935				9		292
1936				3	500	530
1937				1	200	956
1938				7		153
1939	3			4		386
1940				10	755	289
1941	1		8	3	302	
1942				-		117
1943			4	3	100	169
1944				6		156
1045				1		173
1945	1					171
1946				3		208
1947	7			4		464
1948	11			16		436
1949	8			11	350	229
1950	7			9	395	499
1951	7			18	374	571
1952	10	1		7	107	303
1953				17	318	335
1954	22			37	363	198
1955	12			25	41	
1956	3			10		488
1957	3			10	319	236
	,			1	528	126

See page 36 for list of equipment owned at end of year.

INVESTMENT IN ROAD AND EQUIPMENT

Additions and Betterments	Road and General Expenditures \$1,891,178	Equipment \$3,345,070	Total \$ 5,236,248
Less Retirements	350,315	389,616	739,931
Net Increase	\$1,540,863	\$2,955,454	\$ 4,496,317
Changes by Primary Account	Expenditures	Property Retired	Investment December 31, 1957
Engineering	\$ 30,218	\$ 7,062	\$ 2,935,332
Land for Transportation Purposes	5,413	6,855	6,291,399
Other Right-of-Way Expenditures	373	958	287,425
Grading	114,608	3,763	28,679,420 585,583
Tunnels and Subways	236,454	60,197	7,793,827
Ties	49,837	47,136	7,276,726
Rails	180,217	24,147	15,794,542
Other Track Material	317,157	30,843	9,280,221
Ballast	11,908	3,172	4,886,715
Track Laying and Surfacing.	112,342	11,416	8,539,312
Fences, Snowsheds and Signs	365	1,365	1,439,876
Station and Office Buildings	120,966	34,266	4,329,724
Roadway Buildings	38,788	5,299	256,495
Water Stations	34,216	2,601	314,154
Fuel Stations	91,296	11,457	352,406
Shops and Enginehouses	143,223	63,733	3,963,474
Wharves and Docks			171,366
Communications Systems	11,993	240	1,274,511
Signals and Interlockers	33,673	5,235	882,649
Power Plants			91,501
Power Transmission Systems	21,357	916	123,094
Miscellaneous Structures	20,326		24,570
Roadway Machines	183,485	2,395	1,078,931
Roadway Small Tools	100047	4.071	43,237
Public Improvements—Construction	125,947	4,071	1,828,588
Other Expenditures—Road	22 200	12 021	1,494,294
Shop Machinery	32,308	13,031	177,147
Power Plant Machinery	01.001.150	0.224.05/	
Total	\$1,891,178	\$ 334,956	\$110,197,383
Equipment:			
Steam Locomotives		\$ 46,568	\$ 427,173
Diesel-electric Locomotives	\$ 603,251	7,200	16,543,697
Freight-Train Cars	3,682,438	301,690	28,030,054
Passenger-Train Cars	19,886	2,790	2,532,897
Work Equipment	37,424	1,980	1,169,473
Miscellaneous Equipment	62,464	29,388	230,363
Unapplied Material and Supplies—Equipment	1,060,393	• • • • • • • •	103,589
Total	\$3,345,070	\$ 389,616	\$ 49,037,246
General Expenditures:			
Organization Expense			\$ 168,733
General Officers and Clerks		\$ 1,136	465,891
Law		648	284,157
Stationery and Printing		21	34,050
Taxes		363	159,104
Interest during Construction		12,984	5,239,079
Other Expenditures—General	• • • • • • •	207	102,208
Total		\$ 15,359	\$ 6,453,222
Grand Total	\$5,236,248	\$ 739,931	\$165,687,851

DETAILS OF INCOME ACCOUNT

OPERATING REVENUES

FREIGHT:	1957	1956	1955	1954	1953
Products of Agriculture:					
Grain	\$14,751,387	\$14,298,151	\$11,694,186	\$10,542,104	\$ 8,312,785
Flour	127,871	100,410	94,695	65,957	73,135
Potatoes	228,759	214,471	334,938	321,131	305,481
All Other	1,088,788	1,244,950	1,191,912	1,291,534	1,396,774
Total	16,196,805	15,857,982	13,315,731	12,220,726	10,088,175
Animals and Animal Products:					
Cattle and Calves	353,969	159,359	162,808	173,702	155,713
Hogs	11,548		19.626	20,257	20,624
Butter	54,868	115,961	125,160	111,675	134,476
All Other	325,929	318,959	340,574	354,797	355,472
Total	746,314	613,469	648,168	660,431	666,285
Products of Mines:					
Bituminous Coal	641,153	704,188	644,847	693,953	711,158
Lignite Coal	404,113	470,246	571,573	660,056	644,231
Iron Ore	1,490,897	1,501,964	1,864,370	1,098,446	1,882,231
Stone and Rock	185,484	616,050	690,029	333,942	311,392
Gravel and Sand	281,980	107,522	131,076	474,813	1,079,333
All Other	1,195,618	1,968,499	1,161,687	897,420	939,446
Total	4,199,245	5,368,469	5,063,582	4,158,630	5,567,791
Products of Forests:					7, 0, 7, 1
Posts, Poles, and Piling, Wooden	543.471	485,454	423,459	351,594	348.667
Logs, Butts and Bolts	338,655	366,202	355,500	263,557	351,849
Pulpwood	1,493,038	1,231,633	865,877	1,116,888	1,087,140
Lumber, Shingles and Lath	4,876,611	5,353,603	5,143,235	3,806,634	3,161,177
All Other	412,268	454,856	282,258	282,602	305,311
Total	7,664,043	7,891,748	7,070,329	5,821,275	5,254,144
Manufactures and Miscellaneous:					
Gasoline and Petroleum Products	1,105,630	991,368	878,379	1,072,663	1,152,076
Fuel and Road Oils, etc	414,278	399,628	429,205	485,781	596,838
Manufactured Iron and Steel	841 887	889,140	757,611	861,357	704,761
Cement, Building	426,839	582,651	615,459	727,254	999,811
Agricultural Implements and Parts	418,356	466,511	350,235	463,386	767,608
Iron and Steel Pipe	2,276,613	1,758,577	448,075	1,048,982	858,450
Newsprint Paper	1.456,147	1,285,857	1,174,277	1,124,620	1,127,462
Woodpulp	1,060,629	1,024,247	871,799	845,410	821,269
All Other	6,139,156	6,516,778	5,741,708	5,326,882	6,269,166
Total	14 139,535	13,914,757	11,266,748	11,956,335	13,297,441
Less-than-carload Freight	1,233,837	1,164,204	1,110,440	1,178,855	1,348,492
Total Freight	44,179,779	44,810,629	38,474,998	35,996,252	36,222,328
PASSENGER	852,254	883,025	027 206	079 020	
MAIL	1,145,797	1,104,816	927,296	978,930	1,060,360
EXPRESS	204 640	256,094	1,058,140	1,188,448	1,168,797
MILK.			226,269	264,442	323,007
	70,501	69,174	86,028	102,589	112,458
OTHER PASSENGER-TRAIN SERVICE	136,969	112,844	111,554	34,316	56,691
SWITCHING	164,682	151,153	139,435	128,127	116,178
DEMURRAGE	135,711	128,715	102,754	81,100	65,479
TELEGRAPH AND TELEPHONE	36,433	39,425	39,033	46,572	54,337
ORE DOCK CHARGES	118,520	100,965	123,306	75,296	170,324
JOINT FACILITY—NET	189,353	159,745	148,525	116,241	169,096
ALL OTHER	190,457	174,428	178,441	177,298	187,885
Total Operating Revenues	\$47,425,096	\$47,991,013	\$41,615,779	\$39,189,611	\$39,706,940
=				,,,,,,,,,	77,700,710

OPERATING EXPENSES

	1957	1956	1955	1954	1953
Maintenance of Way and Structures:					
Superintendence	\$ 519,740	\$ 496,372	\$ 460,525	\$ 453,728	\$ 427,252
Roadway Maintenance	1,061,891 116	962,968 540	925,357 145	939,158 178	1,090,562
Bridges, Trestles and Culverts	296,106	242,215	226,979	244,219	213,676
Ties	1,137,190	1,214,464	1,197,318	1,267,254	1,410,621
Rails	431,073	449,318	267,141	274,460	188,283
Other Track Material	661,535	541,039	351,608	305,740	248,552
Ballast	365,120	252,317	181,141	188,961	331,957
Track Laying and Surfacing (Labor)	2,750,699	2,582,531	2,203,293	2,205,142	2,539,042
Total	6,703,730	6,245,392	5,352,982	5,425,112	6,022,918
Fences, Snowsheds and Signs	101,811	105,376	75,250	97,328	126,846
Station and Office Buildings	306,378	227,286	246,448	258,294	279,04
Roadway Buildings	7,322	10,480	7,157	7,988	11,37
Water Stations	6,697	15,071	12,069	36,315	38,32
Fuel Stations	2,483	2,743	3,343	12,614	17,22
Shops and Enginehouses	238,756	237,457	156,560	133,891	142,213
Wharves and Docks		5,144			
Communication Systems	184,066	160,622	161,443	145,211	142,38
Signals and Interlockers	52,416	51,550	50,852	51,685	44,97
Power Plants	7,792	6,243	17,016	7,071	2,32
Power Transmission Systems	1,232	2.846	191	2,094	74
Miscellaneous Structures	530	19		37	
Total	909,483	824,837	730,329	752,528	805,45
Roadway Machines	296,129	259,897	194,589	234,134	211,35
Dismantling Retired Road Property	32,531	51,718	37,608	25,350	28,80
Small Tools and Supplies	152,198	121,969	106,077	122,691	107,39
Removing Snow, Ice, and Sand	152,981	324,688	277,635	187,572	234,26
Public Improvements—Maintenance	85,488	89,180	83,029	82,466	55,38
Injuries to Persons	68,653		63,680	69,429	87,18
Insurance	61,736		30,230	34,351	20,95
Stationery and Printing	12,887	9,498	8,541	7,220	8,46
	268,578		84,287	20,897	62,53
Other Expenses	288,705	267,549	254,312	250,955	320,28
Maintaining Jt. Trks., Yds. and Other Fac.—Dr	33,915	22,451	25,660	27,345	26,77
Maintaining Jt. Trks., Yds. and Other Fac.—Cr Right-of-Way Expenses	7,071	6,585	4,716	5,070	5,52
Total	1,393,042	1,375,439	1,119,044	1,012,790	1,115,36
Total Maint. of Way and Struct. Excluding Depreciation and Retirement Charges	9,525,995	8,942,040	7,662,880	7,644,158	8,370,99
Depreciation and Retirement Charges:					
Road Property—Depreciation	533,023	510,703	535,044	570,948	559,17
Retirements—Road			114,795	119,106	57,52
Total	607,486	720,148	649,839	690,054	616,70
Total Maint. of Way and Struct. Including Depreciation and Retirement Charges	\$10,133,481	\$9,662,188	\$8,312,719	\$8,334,212	\$8,987,69
Per cent to Total Operating Revenues	21.37	20.13	19.97	21.27	22.6
Circums in Rold Fore Denote Contro					

Shop Machinery.		1957	1956	1955	1954	1953
Shop Machinery	Maintenance of Equipment:					
Power Plant Machinery	Superintendence	\$ 182,153	\$ 170,297	\$ 157,950	\$ 151,064	\$ 152,610
Steam	Shop Machinery	146,487	121,363	96,486	108,465	123,361
Steam		17,395			29,957	26,530
Cher Locomotives—Repairs 2,022,386 1,996,142 1,725,369 1,311,794 1,199,090 3,310,467 1,777,712 1,199,090 3,310,467 1,777,712 1,199,090 3,310,467 1,777,712 1,199,190 1,000,000 3,310,467 1,000,000 3,310,467 1,000,000 3,310,467 1,000,000 3,310,467 1,000,000 3,310,467 1,000,000 3,310,467 1,000,000 3,000,000 3,310,467 1,000,000 3		2.908			753,564	1.329.823
Freight-Train Cars—Repairs						
Passenger-Train Cars—Repairs 691,287 692,167 604,196 582,302 582,802 Work Equipment—Repairs 118,450 100,256 82,811 63,406 81,344 Miscellaneous Equipment—Repairs 34,617 37,326 31,973 28,881 22,612	Freight-Train Cars—Repairs					
Work Equipment—Repairs. 118,450 100,256 82,811 63,466 81,346 Miscellaneous Equipment—Repairs. 34,617 37,326 31,973 28,881 22,612 Total. 6,169,360 6,184,287 5,779,462 5,887,789 6,676,052 Dismantling Retired Shop & P. P. Machinery 564 3,922 556 249 352 Dismantling Retired Equipment 8,237 9,899 3,778 3,793 4,941 Injuries to Persons 44,927 13,364 28,244 24,207 66,433 Insurance 95,555 94,346 91,452 71,997 54,486 Stationery and Printing 6,453 4,041 5,299 3,933 3,897 Other Expenses 184,725 128,107 43,806 192,158 22,119 Joint Maint. of Equip. Expenses—Or. 56,172 60,817 47,119 40,420 56,622 4,522 Total. 380,245 296,261 215,765 323,955 190,634 Equipment Excluding						
Miscellaneous Equipment—Repairs 34,617 37,326 31,973 28,881 22,612 Total		,				
Dismantling Retired Shop & P. P. Machinery 564 3,922 556 249 352 256 249 352 256 249 352 256 249 2610 2	Miscellaneous Equipment—Repairs					22,612
Dismantling Retired Equipment	Total	6,169,360	6,184,287	5,779,462	5,887,789	6,676,052
Dismantling Retired Equipment						
Retirements						352
Injuries to Persons						2,610
Insurance		8,237	9,089	3,778	3,793	4,941
Stationery and Printing		44,927	13,364	28,244	24,207	66,439
Other Expenses. 184,725 128,107 43,806 192,158 22,115 Joint Maint. of Equip. Expenses—Dr. 56,172 60,817 4,7119 40,420 50,108 Joint Maint. of Equip. Expenses—Cr. 4,345 4,572 4,002 5,632 4,522 Total. 380,245 296,261 215,765 323,955 190,634 Total Maintenance of Equipment Excluding Depreciation Charges. 6,731,758 6,650,845 6,153,177 6,362,808 7,019,296 Depreciation Charges: Shop and Power Plant Machinery 22,119 23,246 22,911 20,461 19,418 Equipment 1,594,632 1,436,837 1,444,353 1,198,129 1,172,813 Total 1,616,751 1,460,083 1,467,264 1,218,590 1,192,231 Total Maintenance of Equipment Including Depreciation \$8,348,509 \$8,110,928 \$7,620,441 \$7,581,398 \$8,211,527 Per cent to Total Operating Revenues 17.60 16.91 18.31 19.34 20.68						

	1957		1956		1955		1954		1953
Transportation:									
Superintendence. Dispatching Trains.	\$ 580,277 244,099	\$	466,791 233,405	\$	420,988 214,295	\$	416,529 223,927	\$	401,940 218,403
Total	824,376		700,196		635,283	П	640,456		620,343
Station Employees	2,777,274		2,651,411		2,415,899		2,432,318		2,487,516
Weighing Insp. and Dem. Bureaus	41,628		34,405		33,533		34,519		32,079
Station Supplies and Expenses	244,184		228,877		197,793		194,213		178,729
Total	3,063,086		2,914,693		2,647,225		2,661,050		2,698,324
Yard Masters and Yard Clerks	431,825	_	422,329		359,510		355,276		356,291
Yard Conductors and Brakemen	1,087,378		1,072,454		823,329		766,022		759,971
Yard Switch and Signal Tenders	32,413		30,612		26,915		27,652		26,884
Yard Enginemen	723,821		690,122		552,658		515,876		522,937
Yard Switching Fuel	112,359		116,653		99,888		181,379		186,505
Water for Yard Locomotives	2,334		2,682		6,127		10,612		10,053
Lubricants for Yard Locomotives	12,865		12,350		11,031		7,791		7,954
Other Supplies for Yard Locomotives	14,047		11,338		8,277		3,940		4,382
Enginehouse Expenses—Yard	170,382		149,678		124,141		125,657		121,956
Yard Supplies and Expenses	17,499		17,130		14,906		13,706		13,212
Opr. Joint Yards and Terminals—Dr	1,027,148		978,583		828,707		796,450		1,017,120
Opr. Joint Yards and Terminals—Cr	52,279		48,454		51,824		51,581		57,182
Total	3,579,792		3,455.477		2,803,665		2,752,780		2,970,083
Train Enginemen	2,106,323		1,982,280		1,799,000		1,797,133		1,856,446
Train Fuel	1,353,764		1,426,682		1,240,391		1,620,883		1,640,369
Water for Train Locomotives	21,507		25,141		32,022		51,612		53,252
Lubricants for Train Locomotives	102,909		90,104		68,439		83,297		85,605
Other Supplies for Train Locomotives	34,633		27,645		27,325		42,270		47,185
Enginehouse Expenses—Train	515,251		461,783		430,104		528,368		536,894
Trainmen	3,096,123		2,921,576		2,618,791		2,542,307		2,616,669
Train Supplies and Expenses	1,393,131		1,356,837		1,027,829		1,029,899		1,110,158
Operating Sleeping Cars	169,382		182,090		205,960		218,033		148,070
Total	8.793,023		8,474,138		7,449,861		7,913,802		8,094,648
Signal and Interlocker Operation	125,570		116,059		105,056		106,867		107,417
Crossing Protection	25,463		28,611		35,222		45,845		56.051
Drawbridge Operation					62		50		
Communication System Operation	104,504		94,866		86,300		85,907		85,377
Stationery and Printing	73,797		61,488		51,830		53,077		48,343
Other Expenses	144,384		99,869		51,957		65.459		121,447
Operating Jt. Trks. and Facilities—Dr	156,227		174,059		139,994		149,932		146,042
Operating Jt. Trks. and Facilities—Cr	31,399		27,583		26,109		26,365		24,192
Insurance	26,717		30,466		27,289		26,003		15,398
Clearing Wrecks	86,438		124,838		37,529		48,143		75,744
Damage to Property.	14,324		17,380		7,072		12,116		17,585
Damage to Live Stock on R. of W	8,392		9,051		7,943		12,888		7,239
Loss and Damage—Freight	240,944		256,825		190,134		205,840		199,527
Loss and Damage—Baggage	11		118		248		138		106
Injuries to Persons	193 994		220,562		216.347		239,073		436,052
Total	1,169,366		1,206,609		930,874		1,024,973		1,292,136
Total Transportation	\$17,429,643	\$1	6,751,113	\$1	4,466,908	\$1	14,993,061	\$1:	5,675,534
Per cent to Total Operating Revenues	36.75		34.90		34.76		38.26		39.48
Miscellaneous Operations:									
Dining and Buffet Service	\$ 178,599	\$	209,240	\$	214,534	\$	222,603	\$	236,357
Operating Jt. Miscl. Facilities—Dr	17,663		16,458		18,353		17,379		18,526
Total Miscellaneous Operations	\$ 196,262	\$	225,698	\$	232,887	\$	239,982	\$	254,883
Per cent to Total Operating Revenues									

	1957	1956	1955	1954	1953
General:					
Sal. and Exp. of General Officers	\$ 219,774	\$ 226,705	\$ 185,528	\$ 169,154	\$ 170,932
Sal. and Exp. of Clerks and Attendants	1,069,616	951,873	841,066	824,300	831,867
General Office Supplies and Expenses	120,241	91,565	77,215	67,182	63,891
Law Expenses	151,338	141,527	142,564	118,614	128,461
Insurance Pensions and Gratuities	424	815	610	657	552
Stationery and Printing.	400,784 61,231	145,057 43,521	45,909 46 491	38,665 51,901	34.401 42,700
Other Expenses.	61,349	123,978	91,134	63,580	65,360
General Joint Facilities—Dr.	14,413	13.340	11.918	18,175	12,479
General Joint Facilities—Cr	5,306	4,057	4,258	4,209	4,266
Total General		\$ 1.734.324	\$ 1,438,177	\$ 1,348,019	\$ 1,346,377
Per cent to Total Operating Revenues		3.61	3.46	3.44	3.39
Total Railway Operating Expenses		\$37,612,524	\$33,079,561	\$33,455,323	\$35,412,225
Per cent to Total Operating Revenues		78.37	79.49	85.37	89.18
NET REVENUE FROM RAILWAY OPERATIONS				\$ 5,734,288	\$ 4.294.715
NET REVENUE PROM RAILWAY OFERATIONS	\$ 0,047.027	\$10,378,489	\$ 8,536,218	\$ 7,734,200	\$ 4,294,/17
RAILWAY	TAX ACCRU	JALS			
Payroll Taxes:					
Railroad Retirement	\$ 1,249.839	\$ 1,207 807	\$ 1,122,461	\$ 1,133,803	\$1,156,376
Railroad Unemployment	396,535	295,215	89,841	90.481	92,289
Total Payroll Taxes	1,646,374	1,503,022	1,212,302	1,224,284	1,248,665
Other Taxes:					
Federal Income:					
Current Year	415,000	1,670,000	2,061,000	300,000	
Adjustment of Prior Years	5,026				44,789
State, Local and Other	1,849,707	1,815,185	1,616,425	1.494,926	1,518,662
Total Other Taxes	2,269,733	3,485,185	3,677,425	1,794,926	1,473,873
Total Railway Tax Accruals	\$ 3,916,107	\$ 4,988,207	\$ 4,889,727	\$ 3,019,210	\$2,722,538
RAILWAY OPERATING INCOME.	\$ 4,129,518	\$ 5,390,282	\$ 3,646,491	\$ 2,715,078	\$1,572,177
EQUIPMEN	IT RENTS —	NET			
Freight Cars	\$ 894,114	\$ 1,212,325	\$ 115,428	\$ 14,855	\$ 155,858
Passenger Cars	170,993	95,096	71,555	38,009	64,367
Locomotives	18,357	21,103	25,516	36,064	27,417
Work Equipment	1.492	1,254	3,042	8,195	7,045
Total Equipment Rents—Net	\$ 1.048,242	\$ 1,287,572	\$ 66,347	\$ 21,105	\$ 125,953
JOINT FA	ACILITY REN	ITS			
Rents Payable	e 407 420	e 502 057	e 552.201	e 407 (02	A 555 774
Rents Payable	294,839	\$ 583,857 294,548	\$ 552,281 301,276	\$ 497,692 275,932	\$ 555,774 290,840
Total Joint Facility Rents—Net	\$ 312,591	\$ 289,309	\$ 251,005	\$ 221,760	\$ 264,934
TOTAL WORKING EXPENSES	\$44,656.411	\$44,177,612	\$38,153,946	\$36,675,188	\$38,273,744
Per cent to Total Operating Revenues		92.05	91.68	93.58	96.39
NET RAILWAY OPERATING INCOME	\$ 2,768,685	\$ 3,813,401	\$ 3,461.833	\$ 2,514,423	\$1,433,196
Figures in Bold Face Denote Contra.					

OTHER INCOME

Income from Non-Operating Property Dividend Income Interest Income Miscellaneous Income Total Other Income **TOTAL INCOME** MISCELLANEOUS DEDUC Miscellaneous Rents Miscellaneous Tax Accruals Miscellaneous Income Charges Total Miscellaneous Deductions from Income **INCOME AVAILABLE FOR FIXED AND		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,616 2,234 14,520	\$3 ME \$	1955 87,618 6,928 4,144 106,409 14,125 219,224 3,681,057 3,342 2,360 27,183 32,885		1954 93,801 8,123 4,277 63,951 11,565 181,717 2,696,140 3,321 2,208 11,987 17,516		1953 87,39; 11,219 4,144 59,312 22,466 184,539 617,73 2,899 2,268 29,177 34,331
Income from Non-Operating Property Dividend Income Interest Income Miscellaneous Income Total Other Income **TOTAL INCOME** MISCELLANEOUS DEDUC Miscellaneous Rents Miscellaneous Tax Accruals Miscellaneous Income Charges Total Miscellaneous Deductions from Income **INCOME AVAILABLE FOR FIXED AND	1,483 4,144 219,226 11,921 346,993 3,115,678 TIONS 4,539 246 213,008 217,307	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	5,658 4,144 172,605 11,945 284,667 4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$ \$3 ME \$	6,928 4,144 106,409 14,125 219,224 3,681,057 3,342 2,360 27,183	\$ \$2	8,123 4,277 63,951 11,565 181,717 2,696,140 3,321 2,208 11,987	\$ \$1	11,219 4,14 59,31: 22,460 184,53: ,617,73 2,89 2,260 29,17:
Dividend Income Interest Income Miscellaneous Income Total Other Income MISCELLANEOUS DEDUC Miscellaneous Rents Miscellaneous Tax Accruals Miscellaneous Income Charges Total Miscellaneous Deductions from Income INCOME AVAILABLE FOR FIXED AND	4,144 219,226 11,921 346,993 3,115,678 TIONS 4,539 240 213,008 217,307	\$ \$ \$4 \$ \$4 \$ \$4 \$ \$4	4,144 172,605 11,945 284,667 4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$3 ME \$	4,144 100,409 14,125 219,224 3,681,057 3,342 2,360 27,183	\$2	4,277 63,951 11,565 181,717 2,696,140 3,321 2,208 11,987	\$1	4,14 59,31 22,46 184,53 ,617,73
Interest Income Miscellaneous Income. Total Other Income. STOTAL INCOME. MISCELLANEOUS DEDUCE Miscellaneous Rents. Miscellaneous Tax Accruals. Miscellaneous Income Charges Total Miscellaneous Deductions from Income SINCOME AVAILABLE FOR FIXED AND	219,226 11,921 346,993 3,115,678 TIONS 4,539 246 213,008 217,307	\$ \$4 \$ \$4 \$ \$4	172,605 11,945 284,667 4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$3 ME \$	106,409 14,125 219,224 3,681,057 3,342 2,360 27,183	\$2	63,951 11,565 181,717 2,696,140 3,321 2,208 11,987	\$1	59,31 22,46 184,53 ,617,73
Miscellaneous Income. Total Other Income. **TOTAL INCOME. **MISCELLANEOUS DEDUC* Miscellaneous Rents. Miscellaneous Tax Accruals. Miscellaneous Income Charges Total Miscellaneous Deductions from Income **INCOME AVAILABLE FOR FIXED AND	11,921 346,993 3,115,678 TIONS 4,539 240 213,008 217,307	\$ \$ \$4 \$ \$4 \$ \$4 \$ \$4	11,945 284,667 4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$3 ME \$	14,125 219,224 3,681,057 3,342 2,360 27,183	\$2	11,565 181,717 2,696,140 3,321 2,208 11,987	\$1	22,46 184,53 ,617,73 2,89 2,26 29,17
Total Other Income	346,993 3,115,678 TIONS 4,539 240 213,008 217,307	\$ \$ \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4 \$4	284,667 4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$3 ME \$	3,342 2,360 27,183	\$2	3,321 2,208 11,987	\$1	2,89 2,26 29,17
MISCELLANEOUS DEDUCE Miscellaneous Rents	3,115,678 TIONS 4,539 240 213,008 217,307	FRO/) \$	4,098,068 M INCO/ 4,616 2,234 14,520 21,370	\$3 ME \$	3,342 2,360 27,183	\$2	3,321 2,208 11,987	\$1	2,89 2,26 29,17
Miscellaneous Rents	4,539 240 213,008 217,307	FRO!	4,616 2,234 14,520 21,370	ME \$	3,342 2,360 27,183	\$	3,321 2,208 11,987	\$	2,89 2,26 29,17
Miscellaneous Rents	4,539 240 213,008 217,307	\$ \$ \$	4,616 2,234 14,520 21,370	\$	2,360 27,183		2,208 11,987		2,26 29,17
Miscellaneous Tax Accruals Miscellaneous Income Charges Total Miscellaneous Deductions from Income \$ INCOME AVAILABLE FOR FIXED AND	240 213,008 217,307	3 \$	2,234 14,520 21,370	\$	2,360 27,183		2,208 11,987		2,26 29,17
Miscellaneous Income Charges	213,008	3 \$	14,520 21,370		27,183	\$	11,987	\$	29,17
Total Miscellaneous Deductions from Income \$\) INCOME AVAILABLE FOR FIXED AND	217,307	′ \$	21,370			\$		\$	
INCOME AVAILABLE FOR FIXED AND					32,885	\$	17,516	\$	34,33
	2,898,371	\$4	1,076,698						
				\$3	3,648,172	\$2	2,678,624	\$1	,583,40
FIXED C	HARGES								
Rent for Leased Road and Equipment	1,685	\$	1,685	\$	1,685	\$	1,685	\$	1,68
Interest on Equipment Obligations	406,600	,	292,672		290,359		128,743		113,30
Interest on Unfunded Debt	230		965		375		391		52
Amortization of Discount on Funded Debt	10,904		7,260		7,111		6,545		6,08
Total Fixed Charges	419,419	\$	302,582	\$	299,530	\$	137,364	\$	121,59
NCOME AVAILABLE FOR CONTINGENT CHARGES	2,478,952	\$.	3,774,116	\$3	3,348,642	\$2	2,541,260	\$1	,461,80
Interest on First Mortgage Bonds\$ Interest on General Mortgage Bonds Sinking Fund—General Mortgage	280,706 545,312 100,645	\$	\$ 282,158 552,152 100,645	\$	283,909 552,592 100,645	\$	283,909 564,352 100,645	\$	283,90 572,43 100,64
Total Contingent Charges\$	926,663	S	934,955	S	937,146	S	948,906	\$	956,98

OPERATING STATISTICS

	1957	1956	1955	1954	1953
AVERAGE MILES OF ROAD OPERATED	3,222.16	3,223.98	3,224.14	3,222.40	3,222.75
TRAIN MILES (REVENUE SERVICE)					
Freight Service:					
Steam	277 3,113,496	20,225 3,059,623	13,197 2,931,104	415,530 2,450,792	503,019 2,396,201
Total	3,113,773	3,079,848	2,944,301	2,866,322	2,899,220
Passenger Service:					
Steam. Diesel.	198 1,431,967	234 1,447,425	10,605 1,447,513	546,252 982,053	767,247 1,038,059
Total	1,432,165	1,447,659	1,458,118	1,528,305	1,805,306
TOTAL TRAIN MILES	4,545,938	4,527,507	4,402,419	4,394,627	4,704,526
LOCOMOTIVE MILES (REVENUE SERVICE)					
Freight Service:					
Steam. Diesel.	277 3,133,532	20,225 3,097,409	14,070 2,965,324	453,972 2,469,489	545,572 2,407,200
Total	3,133,809	3,117,634	2,979,394	2,923,461	2,952,772
Passenger Service:					
Steam Diesel	198 1,449,681	234 1,468,257	10,701 1,472,909	562,497 993,399	779,265 1,049,520
Total	1,449,879	1,468,491	1,483,610	1,555,896	1,828,785
Switching Service—Road and Yard					
Steam	1,488 1,159,621	10,848 1,151,329	7,056 922,002	298,686 550,428	346,910 538,594
Total	1,161,109	1,162,177	929,058	849,114	885,504
TOTAL LOCOMOTIVE MILES	5,744,797	5,748,302	5,392,062	5,328,471	5,667,061
CAR MILES (REVENUE SERVICE)					
Freight:					
Loaded	89,443,198	96 991,367	89,056,286	81,612,186	81,449,970
Empty	53,425,179	55,228,044	45,978,770	42,944,720	43,867,610
Caboose.	2,592,378	2,546,238	2,550,563	2,167,957	2,262,127
Total	145,460,755	154,765,649	137,585,619	126,724,863	127,579,707
Passenger:					
Coaches		1,642,456	1,657,234	1,734,643	1,961,357
Sleeping and Parlor		2,268,774	2,204,871		2,650,223
Other	5,097,367	5,097,754	5,197,307	5,655,820	6,206,603
Total	8,723,322	9,008,984	9,059,412	9,963,423	10,818,183
TOTAL CAR MILES	154,184,077	163,774,633	146,645,031	136,688,286	138,397,890
GROSS TON MILES					
Freight Service—Cars and Contents	6,557,385,591 6 512,330.088	5,974,432,205 6	5,255,836,910	5,558,333,962 580.257.396	5,558,231,828 641.920.884
TOTAL GROSS TON MILES					
TO THE OWNER OF THE PARTY OF TH	7,507,717,077	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	7,7 00,420,010	0,170,771,770	

OPERATING STATISTICS—Continued

	1957	1956	1955	1954	1953
CONSUMPTION OF FUEL:					
Coal in Tons:					
Freight	†	1,846	1,118	43,958	47,204
Passenger		24	506	21,775	30,445
Yard Switching		105	346	14,186	17,868
Total	†	1,975	1,970	79,919	95,517
Average Cost per Ton		\$9.2152	\$6.6226	\$7.2077	\$6.6786
Diesel Fuel in Gallons:					
Freight	10,459,250	10,973,496	9,763,355	8,224,878	8,129,736
Passenger	2,509,035	2,708,205	2,598,783	2,207,496	2,162,713
Yard Switching	1,030,301	1,061,457	941,134	635,022	568,600
Total	13,998,586	14,743,158	13,303,272	11,067,396	10,861,049
Average Cost per Gallon	\$.1055	\$.1051	\$.1016	\$.1063	\$.1059
Cost per 1,000 Gross Ton Miles:					
Steam Fuel;					
Road Freight		\$.8410	\$.7800*	\$.6080	\$.5961
Road Passenger	†	1.1511	7.1362*	2.0996	1.4832
Diesel Fuel; Road Freight	\$.1663	\$.1618	\$.1544	\$.1735	\$.1713
Road Preignt	.4959	.5175	.4793	.4464	.4600
Cost per Switch Engine Hour:					
Steam Fuel	†	\$2.5319	\$3.6075*	\$3.0288	\$2.8722
Diesel Fuel	\$.9305	.8914	.8760	.9882	.8921
FREIGHT TRAFFIC:					
Freight Revenue	\$44,179,779	\$44,810,629	\$38,474,998	\$35,996,252	\$36,222,328
Number of Carloads	281,692	297,077	286,875	255,825	277,320
Tons—Revenue Freight	10,752,965	11,273,589	10,852,263	9,302,170	10,317,906
Ton Miles—Revenue Freight	2,974,709,559 3	,212,886,906	2,918,609,667	2,549,629,233	2,507,910,065
Train Load:					
Gross Tons per Train—Steam	†	1,097	832	1,386	1,127
Diesel	2,080	2,272	2,131	2,033	2,083
Average		2,265	2,125	1,939	1,917
Net Tons per Carload	33.3	33.1	32.8	31.2	30.8
Train Fuel Consumption per 1,000 Gross Ton Miles:					
Pounds of Coal—Steam	†	166	211	153	
Gallons of Fuel Oil—Diesel	1.6	1.6	1.6	1.6	1.6
Train Speed:					
Steam	†	13.9	14.3	15.9	15.6
Diesel	21.0	20.5	21.0	21.1	20.7
Average		20.4	20.9	20.2	19.6
Gross Ton Miles per Train Hour:					
Steam			11,868	22,100	17,600
Diesel	43,809	46,477	44,727	42,949	43,133
Average		46,177	44,511	39,124	37,571

^{*}Includes loss on disposition of locomotive coal on account of dieselization. \dagger Statistics relating to steam operation too small to report.

OPERATING STATISTICS—Continued

	1	957	1	1956	1	1955	1	954		1953
Averages per Mile of Road:										
Freight Revenue	\$ 1	3,711 966	\$ 1	3,899 955	\$ 1	1,933	\$ 1	1,171	\$	11,241 900
Freight Train Car Miles		5,144 3,204		8,005		12,674 05,237		9,326 1,221		39,593 78,313
Averages per Train Mile:										
Freight Revenue Freight Cars—Loaded Freight Cars—Empty Tons of Revenue Freight Gross Tons		14.19 28.7 17.2 955.3 105.9	1,	14.55 31.5 17.9 ,043.2 ,264.5	\$	13.07 30.2 15.8 991.3		12.56 28.5 15.0 889.5 939.2	\$	12.49 28.1 15.1 865.0 1.917.1
Gross Tons.	۷,	107.9	2	,204.)	۷	,124./	1,	777.6		1.71/.1
Averages per Loaded Car Mile:										
Freight Revenue (Cents)		49.4		46.2 33.1		43.2 32.8		44.1 31.2		44.5 30.8
Miscellaneous Averages:										
Revenue per Ton of Freight	\$	4.11 1.49 276.6	\$	3.97 1.39 285.0	\$	3.55 1.32 268.9	·	3.87 1.41 274.1	\$	3.51 1.44 243.1
PASSENGER TRAFFIC:										
Passenger Revenue Total Passenger Train Revenue Revenue Passengers Carried Revenue Passenger Miles	\$2,41 15	2,254 0,161 9,620 27,160	\$ 2,42	33,025 25,953 30,596 45,846	\$ 2,40	27,296 09,287 63,931 88,596	\$ 2,56 17	78,930 8,725 78,342 83,492	\$ 2,7	060,360 721,313 209,042 213,938
Averages per Mile of Road:										
Passenger Revenue Total Passenger Train Revenue	\$	264 748	\$	274 752	\$	747	\$	304 797	\$	845
Train Miles Passenger Train Car Miles Revenue Passenger Miles		444 2,707 3,291		449 2,794 14,003		452 2,810 15,473		474 3,092 6,070		560 3,357 17,446
Averages Per Train Mile:										
Passenger Revenue	\$.60 1.68	\$.61 1.68	\$		\$.64 1.68		\$ 1.51
Passenger Cars		6.1 29.9		6.2 31.2		6.2 34.2		6.5 33.9		31.1
Averages per Car Mile:										
Passenger Revenue (cents)		23.5 27.6 11.8		22.6 26.9 11.5		24.0 26.6 12.9		22.7 25.8 12.0		23.0 25.2 12.2
Miscellaneous Averages:										
Passenger Revenue per Passenger Mile (cents)	\$	5.34 1.99	\$	4.89 1.96	\$	5.66 1.86	\$	5.49 1.89		\$ 5.07 1.89
Miles Carried—Revenue Passengers		268.3		250.0		304.3		290.4		268.9

OPERATING STATISTICS—Concluded

	1957	1956	1955	1954	1953
TOTAL TRAFFIC:					
Operating Revenue	\$47,425,0	96 \$47,991,013	\$41,615,779	\$39,189,611	\$39,706,940
Operating Expenses	\$39,379,4	171 \$37,612,524	\$33,079,561	\$33,455,323	\$35,412,225
Net Operating Revenue	\$ 8,045,6	\$10,378,489	\$ 8,536,218	\$ 5,734,288	\$ 4,294,715
Averages per Mile of Road:					
Train Miles	1,	411 1,404	1,365	1,364	1,460
Car Miles	47,	351 50,799	45,483	42,418	42,951
Operating Revenue	\$ 14,	718 \$14,886	\$12,908	\$12,162	\$12,323
Operating Expenses		221 \$11,667	\$10,260	\$10,382	\$10,990
Net Operating Revenue		\$ 3,219	\$ 2,648	\$ 1,780	\$ 1,333
Averages per Train Mile:					
Operating Revenue	\$ 10	.43 \$10.60	\$ 9.45	\$ 8.92	\$ 8.44
Operating Expenses	-	3.66 \$ 8.31	\$ 7.51	\$ 7.62	\$ 7.53
Net Operating Revenue		.77 \$ 2.29	\$ 1.94	\$ 1.30	\$.91

CLASSIFICATION OF TONS OF REVENUE FREIGHT

TOT	AL TONS—REVENUE FREIGHT	10,752,965	11,273,589	10,852,263	9,302,170	10,317,906
	Carload Freight	10,692,821 60,144	11,214,426 59,163	10,794,268 57,995	9,241,065 61,105	10,250,119 67,787
Manufact	ures and Miscellaneous	2,858,086	2,847,636	2,577,511	2,467,949	2,627,563
Products	of Forests	2,286,656	2,378,775	2,138,360	1,857,502	1,805,208
Products	of Mines	3,225,034	3,670,274	3,968,142	2,938,863	4,154,124
Animals a	nd Animal Products	104,969	101,412	98,793	85,236	84,457
Other Pro	ducts of Agriculture	373,247	382,975	402,522	405,734	406,058
Grain		1,844,829	1,833,354	1,608,940	1,485,781	1,172,709

COMPARISON OF FREIGHT TONNAGE AND REVENUES

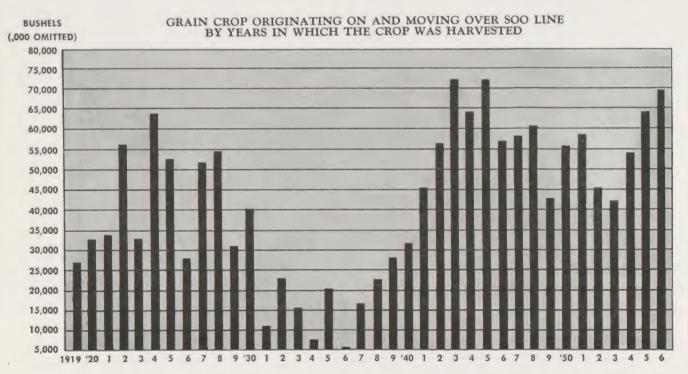
	TONNAGE PER CENT					REVENUE PER CENT					
	1957	1956	1955	1954	1953	1957	1956	1955	1954	1953	
Grain	17.16	16.26	14.83	15.97	11.37	33.39	31.91	30.39	29.29	22.95	
Other Products of Agriculture	3.47	3.40	3.71	4.36	3.93	3.27	3.48	4.22	4.66	4.90	
Animals and Animal Products	.98	.90	.91	.92	.82	1.69	1.37	1.68	1.83	1.84	
Products of Mines	29.99	32.56	36.57	31.59	40.26	9.50	11.98	13.16	11.55	15.37	
Products of Forests	21.26	21.10	19.70	19.97	17.50	17.35	17.61	18.38	16.17	14.51	
Manufactures and Miscellaneous	26.58	25.26	23.75	26.53	25.46	32.01	31.05	29.28	33.22	36.71	
Total Carload Freight	99.44	99.48	99.47	99.34	99.34	97.21	97.40	97.11	96.72	96.28	
Less than Carload Freight		.52	.53	.66	.66	2.79	2.60	2.89	3.28	3.72	

GRAIN MOVEMENT

Annual movement of grain in bushels, separated between that originated on line and that received from connections in the grain territory, and other movements consisting chiefly of transfers of grain between Minneapolis and the Head-of-the-Lakes.

(000 omitted)

	Originate	d on Line					
	Jan. 1 to July 31	Aug. 1 to Dec. 31	Total	Received from Connections	Total	Other Movements	Total
1938	4,859	15,058	19,917	916	20,833	4,719	25,552
1939	7,941	17,625	25,566	1,594	27,160	3,104	30,264
1940	10,886	18,766	29,652	7,831	37,483	2,447	39,930
1941	13,549	26,165	39,714	3,433	43,147	5,127	48,274
1942	16,941	29,854	46,795	1,642	48,437	4,073	52,510
1943	26,953	38,110	65,063	14,228	79,291	10,136	89,427
1944	34,453	34,399	68,852	34,578	103,430	6,743	110,173
1945	30,437	45,748	76,185	3,692	79,877	8,832	88,709
1946	26,769	32,417	59,186	1,477	60,663	6,883	67,546
1947	24,065	39,540	63,605	1,752	65,357	6,191	71,548
1948	19,282	34,689	53,971	1,597	55,568	5,245	60,813
1949	26,786	27,299	54,085	1,202	55,287	5,712	60,999
1950	16,218	31,193	47,411	1,215	48,626	4,350	52,976
1951	25,691	34,344	60,035	1,370	61,405	5,892	67,297
1952	24,799	27,114	51,913	4,132	56,045	6,021	62,066
1953	19,223	22,700	41,923	471	42,394	6,668	49,062
1954	19,810	29,540	49,350	1,388	50,738	6,785	57,523
1955	25,017	31,525	56,542	1,108	57,650	4,473	62,123
1956	32,968	33,239	66,207	1,833	68,040	3,429	71,469
1957	36,329	27,652	63,981	1,257	65,238	5,283	70,521



MILES OF ROAD OPERATED

Minnesota Division		Miles
Portal, N. Dto Minneapolis, Minn., W. Switch, Humboldt Yard	516.83	
Whitetail, Montto Flaxton, N. D	136.65	
New Town, N. D	32.28	
Plaza, N. D. to Max, N. D.	35.65	
Max, N. D	48.13	
Max, N. D. to Hankinson, N. D.	303.78	
Pollock, S. D. to Wishek, N. D.	70.72	
Grenville, S. D to Fairmount, N. D	83.61	
Total Minnesota Division.		1,227.65
Vinnipeg Division		
Noyes, Minnto Glenwood, Minn	265.05	
Kenmare, N. D to Dakota Junction, Minn	296.35	
Armourdale, N. Dto Egeland, N. D	21.86	
Drake, N. Dto Fordville, N. D	130.41	
Total Winnipeg Division		713.67
Ainneapolis-Duluth Division		
Minneapolis, Minn., 5th Avenue North. to W. Switch, Humboldt Yard	4.74	
Minneapolis, Minn., Camden Placeto Weyerhaeuser, Wis	112.87	
Minneapolis, Minn., Columbia Heights to Hilo Junction.	1.09	
St. Paul, Minn	8.14	
Dresser Jct., Wis	103.34	
Superior, Wis., 12th Street Junctionto Interstate Bridge	1.89	
Duluth, Minn., Interstate Bridgeto 10th Ave., Freight House	1.39	
Summit, Wisto St. Croix Falls, Wis	2.00	
Ridgeland, Wisto Barron, Wis	18.52	
Rice Lake, Wisto Cameron, Wis	6.84	
Superior, Wis	.68	
Plummer, Minnto Moose Lake, Minn	167.83	
Lawler, Minnto East Lake, Minn	5.09	
Ironton, Minnto Crosby, Minn	1.00	
Boylston Jct., Wis to Brooten, Minn	175.88	
McGregor, Minnto Conn. with N. P. Ry	.06	
Total Minneapolis-Duluth Division		611.36
Gladstone Division		
	378.72	
Weyerhaeuser, Wisto Sault Ste. Marie, Mich		
Wisconsin Jct., Wisto W. & N. Junction, Wis	118.76	
Appleton, Wis., North Wyeto End of Track	1.00	
Rapid River, Michto Eben Junction, Mich	30.54	
Total Gladstone Division		529.02
Total Solely Owned		3,081.70
INTLY OWNED		
Sault Ste. Marie, Mich.—Joint with D. S. S. & A. R. R.	1.72	
Minneapolis, Minn.—Joint with N. P. Ry.	.88	
Bemidji, Minn.—Joint with N. P. Ry.	.19	
Nashua, Minn., to Hankinson, N. D.—Joint with G. N. Ry	29.05	
Schley, Minn., to Bemidji, Minn.—Joint with G. N. Ry.	24.40	
	19.87	
Deerwood, Minn., to Cuyuna Range Mines—Joint with N. P. Ry		
Deerwood, Minn., to Cuyuna Range Mines—Joint with N. P. Ry. Total Jointly Owned		76.11

MILES OF ROAD OPERATED—Concluded

TRACKAGE RIGHTS Over Wisconsin Central Railroad Superior, Wis., 28th Street				
Superior, Wis., 28th Street				
Superior, Wis., 28th Street				
Duluth, Minn., Berwind Jct. to 6th Avenue. Winnebago Jct., Wis to Menasha, Wis Ladysmith, Wis Total Over W. C. R. R. Joint With Wisconsin Central Railroad St. Paul, Minn. N. P. Ry., Soo Line Jct. to W. C. J. St. P. U. D. Co., 3rd St. to Sibley Minneapolis, Minn. M. & St. L. Ry., 20th Ave. South N. P. Ry., 4th Ave. N. to 14th A. Superior, Wis D. S. Br. Co., Superior, Wis., to I. L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Sup Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jct. to Trout Brook Jct.—I. C. & N. W. Ry. and C. M. St. P.			2.41	
Winnebago Jct., Wis			4.71	
Joint With Wisconsin Central Railroad St. Paul, Minn			4.25	
Joint With Wisconsin Central Railroad St. Paul, Minn			1.75	
St. Paul, Minn N. P. Ry., Soo Line Jct. to W. C. J. St. P. U. D. Co., 3rd St. to Sibley Minneapolis, Minn. M. & St. L. Ry., 20th Ave. South N. P. Ry., 4th Ave. N. to 14th A Superior, Wis. D. S. Br. Co., Superior, Wis., to I. L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Sup Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jct. to Trout Brook Jct.—I. C. & N. W. Ry. and C. M. St. P.				13.12
St. Paul, Minn N. P. Ry., Soo Line Jct. to W. C. J. St. P. U. D. Co., 3rd St. to Sibley Minneapolis, Minn. M. & St. L. Ry., 20th Ave. South N. P. Ry., 4th Ave. N. to 14th A. Superior, Wis. D. S. Br. Co., Superior, Wis., to I. L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Sup Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jct. to Trout Brook Jct.—I. C. & N. W. Ry. and C. M. St. P.				
St. P. U. D. Co., 3rd St. to Sibley Minneapolis, Minn. Superior, Wis. Superior, Wis. D. S. Br. Co., Superior, Wis., to I L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Sup Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jct. to Trout Brook Jct.—I C. & N. W. Ry. and C. M. St. P.	let Trout Brook I	et to 3rd St	2.15	
Minneapolis, Minn. M. & St. L. Ry., 20th Ave. South N. P. Ry., 4th Ave. N. to 14th A Superior, Wis. D. S. Br. Co., Superior, Wis., to I L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Sup Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jct. to Trout Brook Jct.—I C. & N. W. Ry. and C. M. St. P.			.85	
Superior, Wis			.81	
L. S. T. & T. Ry., Tower Ave N. P. Ry., Grassy Point Line, Su Duluth, Minn N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn W. C. Jct. to Trout Brook Jct.—I C. & N. W. Ry. and C. M. St. P.			.59	
N. P. Ry., Grassy Point Line, Su Duluth, Minn. N. P. Ry. & C. & N. W. Ry., 8th Total Joint with W. C. R. Other St. Paul, Minn. W. C. Jet. to Trout Brook Jet.—I C. & N. W. Ry. and C. M. St. P.			.54	
Duluth, Minn			.43	
Total Joint with W. C. R. Other St. Paul, Minn			2.05	
Other St. Paul, Minn		-		7.79
St. Paul, Minn				
C. & N. W. Ry. and C. M. St. P.	I D D.		20	
nut St	& P. R. R., Sible	y St. to Chest-	.28	
C. M. St. P. & P. R. R., Chestnu			10.54	
Sault Ste. Marie, Mich.—Ste. Marie Bridge Co.			.52	
Deerwood—McGregor, Minn.—N. P. Ry			30.84	
Superior—Ore Dock Line & Hill Ave. Yard—N. P. Ry			.47	
Total Other	,			43.44
Total Soo Line Mileage Operated				3,222.16
MILEAGE OPERATED AS AGENT FOR WISCONSIN CENTRAL R. Less mileage common to both Soo Line and W. C. R. R			9.1	1,030.62 66.50
Total System Mileage Operated, December 31, 1957				4.186.28
Total System Windage Operated, December 71, 1977				2,100.20
MILES OF ROAD OPERATED IN E.	ACH STATE			
MIDDS OF NOAD OF ENATED IN EA	ICH STATE	Less Common		
		Soo Line-		
Soo Line	W. C. R. R.	W.C.R.R.	Syst	tem
Montana			56	5.89
North Dakota 1.311.67			1.311	
South Dakota 108.49				3.49
Minnesota	75.16	49.63	1,040	
Wisconsin	863.78	16.87	1,353	.45
Michigan	20.07		243	61
Illinois				
Total	71.61	•••••		1.61

EQUIPMENT OWNED

	Jan. 1, 1957	Additions	Deductions	Dec. 31, 1957
STEAM LOCOMOTIVES				
Road	12	0	1	11
DIESEL-ELECTRIC LOCOMOTIVES				
Road Freight 3,000 H.P.—Double Unit	15	0	0	15
Road Passenger 3,000 H.P.—Double Unit	4	0	0	4
Road Passenger 1,500 H.P.—Single Unit	2	0	0	2
Road-Switch-Freight 1,750 H.P.—Single Unit	12	3	0	15
Road-Switch-Freight 1,600 H.P.—Single Unit	5	0	0	5
Road-Switch-Freight 1,500 H.P.—Single Unit	19	0	0	19
Road-Switch-Freight 1,000 H.P.—Single Unit	4	0	0	4
Road-Switch-Pass. or Frt. 1,750 H.P.—Single Unit	9	0	0	9
Switch—various H.P.—Single Unit	21	0	0	21
Total	91	3	0	94
FREIGHT-TRAIN CARS				
Automobile Cars	30	0	0	30
Ballast Cars	137	0	1	136
Box Cars.	4355	503	117	4741
Box Cars—Insulated.	10	0	0	10
Caboose Cars.	122	0	0	122
Coke Cars.	3	1†	0	4
Flat Cars	247	0	4	243
Gondola Cars	686	0	0	686
Covered Hopper Cars.	93	25	0	118
Hopper Cars	296	0	1	295
Ore Cars.	1302	0	0	1302
Stock Cars	388	0	4	384
Tank Cars	2	0	0	2*
Total	7671	529	127	8073
PASSENGER-TRAIN CARS				
Baggage Cars.	28	0	0	28
Dining Cars.	4	0	0	4
Mail and Express Cars.	18	0	0	18
Mail, Express and Coach.	7	0	0	7
Passenger Coaches.	27	0	0	27
Cafe-Lounge.	4	0	0	4
Coach-Buffet.	1	0	0	1
Passenger and Baggage Cars.	13	0	0	13
Sleeping Cars	9	0	0	9
Tourist Cars.	6	0	0	6
Sleeping-Restaurant and Lounge	2	0	0	2
Drover Cars	5	0	0	5
Total	124	0	0	124
WORK EQUIPMENT.	301	8	2	307
MISCELLANEOUS EQUIPMENT	89	22	16	96*
WIIOCELLANEOUS EQUIPWENT	89	23	16	90*

[†]Converted from Stock Car.

^{*}Tanks owned by Gedney Pickle Co. mounted on flat cars owned by this company.

^{**}Includes 5 automobiles owned jointly with N.P. Ry, and one owned jointly with D.S.S.&A. R.R.

You, as a stockholder, can play an important part in the movement of traffic, both freight and passenger, which is so vital to your company, by informing Soo Line traffic representatives of prospective movements; also by giving them information regarding relocation and expansion of industries that might be interested in locating in the territory served by your company. Sales and service agencies are maintained in the principal cities of both the United States and Canada, as listed below, and they would appreciate any such information that you might be able to give them.

you might be able to give them.		
Location Name	Address Telephone I	No.
Location Name ATLANTA 3	Cit. & Sou. Nat. Bk. BldgJackson 4-38	866
BIRMINGHAM 3 W. S. Glover, Dist. Sales Mgr	Brown Marx BldgTel. 53-28	832
BISMARCKA. P. Simon, Dist. Sales Mgr	Soo Line Depot	422
BOSTON 10	Chamber of Commerce Bldg Hancock 6-5	714
BOSTON 16R. G. Williamson, Gen. Agt., Pass. Dept	Little Bldg Hancock 6 47	373
BUFFALO 3 J. B. Campbell, Dist. Sales Mgr	Elliont Square Dida	020
BUFFALO 2 A. C. Nieman, Gen. Agt., Pass. Dept	Libert Deal Did	100
CHICAGO A. T. D. G. S.L. M.	Liberty Bank Bldg	102
CHICAGO 4 A. T. Peterson, Gen. Sales Mgr	Board of Trade BldgHarrison 7-09	565
CHICAGO 3T. J. Nolan, Dist. Pass. Repr		
CINCINNATI 2F. A. Dykstra, District Frt. Agent		
CINCINNATI 2L. P. Dooley, Gen. Agt., Pass. Dept	Dixie Terminal Bldg	228
CLEVELAND 14D. T. Walen, Dist. Sales Mgr	Union Comm. Bldg	353
CLEVELAND 14E. A. Kenney, Gen. Agt., Pass. Dept	Union Comm. Bldg	971
DALLAS 1 A. E. Gorman, District Frt. Agent	Kirby BldgRiverside 7-33	311
DALLAS 1M. G. Mulroney, Trav. Pass. Agt	Kirby BldgRiverside 7-33	311
DETROIT 26B. Hermanson, Dist. Sales Mgr	National Bank Bldg	015
DETROIT 26 F. F. Hardy, Gen. Agt., Pass. Dept	Book Bldg. Woodward 3-78	820
DULUTH 2J. T. Hartnett, Regional Sales Mgr		
DULUTH 2A. E. Sword, Dist. Pass. Repr		
EAU CLAIREJ. B. Benson, Dist. Sales Mgr		
EDMONTONJohn Holloway, Dist. Sales Mgr		
EDIVION I OINJohn Fiolioway, Dist. Sales Mgr	C. P. R. Ornce Bldg	304
INDIANAPOLIS 4L. F. McMahon, Dist. Freight Agent		
KANSAS CITY 6J. T. Donohue, Dist. Freight Agent		
LOS ANGELES 14R. T. Nelson, Dist. Sales Mgr	519 Van Nuys BldgVan Dyke 03	338
LOS ANGELES 14A. D. Macdonald, Gen. Agt., Pass. Dept	530 W. 6th St	337
MEMPHIS 3	Exchange BldgJackson 5-22	233
MENASHAK. H. Peterson, Regional Sales Mgr	Soo Line Depot	391
MILWAUKEE 3 E. S. Rogers, Jr., Regional Sales Mgr	217 North Plankinton Ave Broadway 1-26	543
MILWAUKEE 3D. H. Bliss, Pass. Repr	217 North Plankinton Ave Broadway 1-26	543
MINNEAPOLIS 1G. B. Shimek, Regional Sales Mgr	501 2nd St. No	261
MINNEAPOLIS 2O. W. Hartwell, Dist. Pass. Repr		
MINOT H. W. Monson, Dist. Sales Mgr		
NEW ORLEANS 12C. C. Watson, Dist. Frt. Agt	Hibernia Bank Bldg Canal 70	007
NEW YORK 7 A. O. Plunkett, Eastern Sales Mgr	Woodworth Ridg. Cortlands 7 04	17/
NEW YORK 17 J. E. Roach, Gen. Agt., Pass. Dept	501 Eigh Assa	122
OMAHA 2F. H. Pitzl, Dist. Frt. Agent	W. O. W. BldgAtlantic 9/	152
PHILADELPHIAF. L. Meyer, Dist. Sales Mgr	P. O. Box 124Locust 7-27	788
PHILADELPHIA 9W. J. Holman, Dist. Pass. Repr	FidPhila. Trust BldgPennypacker 5-23	305
PITTSBURGH 19H. K. Willson, Dist. Sales Mgr	Grant BuildingAtlantic 1-38	360
PITTSBURGH 19M. T. Jackson, Dist. Pass. Repr	648 William Penn PlaceAtlantic 1-23	306
PORTLAND 5 J. J. Pearce, Dist. Sales Mgr		
PORTLAND 5 E. J. Dahlberg, Dist. Pass. Repr		
ST. LOUIS 1J. C. Waddell, Dist. Frt. Agent	Railway Exchange BldgMain 1-47	768
ST. LOUIS 2 J. J. Brown, Gen. Agt., Pass. Dept		
ST. PAUL 1		
ST. PAUL 1R. L. Battleson, Dist. Pass. Repr		
SAN FRANCISCO 5E. M. Ostby, Dist. Sales Mgr		
SAN FRANCISCO 8E. W. Travis, Gen. Agt., Pass. Dept	185 Post St Douglas 2-01	13/
SAULT STE. MARIE R. E. Howard, Dist. Sales Mgr		
SEATTLE 1		
SEATTLE 1 D. H. S. Coddon Con Act. Door Door	White House Court Dille	747
SEATTLE 1P. H. S. Godden, Gen. Agt., Pass. Dept		
SPOKANE 1		
SUPERIORO. A. Ness, Frt. and Pass. Agt		
THIEF RIVER FALLS. V. C. Erickson, Dist. Sales Mgr		
TORONTOM. P. Petrie, Dist. Sales Mgr		
VANCOUVER Ernest Jacquest, Dist. Sales Mgr	Can. Pacific Sta	212
WASHINGTON 6J. A. C. Blair, Gen. Agt., Pass. Dept		
WINNIPEG		
WINNIPEG		
WINSTON-SALEM 3W.T. Dickson, Sales Repr		
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